Special Audit Committee Meeting
Friday, February 13, 2026
at 8:00 a.m.
www.glwater.org

Join Zoom Meeting

Meeting ID: **895 3711 1648** Passcode: **944643**

US Toll-free: **877 853 5247 or 888 788 0099**

AGENDA

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
   A. January 30, 2026 (Page 1)
5. PUBLIC PARTICIPATION
6. OLD BUSINESS
   A. *Discussion:* Proposed FY 2027 & FY 2028 Biennial Budget and Proposed FY 2027 Schedule of Charges (Page 8)
   B. *Action Item*: Recommendation to the Board of Directors to Approve Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial Budget Subject to Public Comment at the Public Hearing to be Held on February 25, 2026 (Page 384)
   C. *Action Item*: Recommendation to the Board of Directors to Approve Resolution 2026-014 to Adopt the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be Held on February 25, 2026 (Page 399)
7. NEW BUSINESS - None
8. REPORTS - None
9. COMMUNICATIONS
10. LOOK AHEAD
    A. Next Audit Committee Meeting: February 27, 2026, at 8:00 a.m.
11. OTHER MATTERS
12. ADJOURNMENT

Great Lakes Water Authority

735 Randolph Street
Detroit, Michigan 48226
glwater.legistar.com

Meeting Minutes - Draft

Audit Committee

Friday, January 30, 2026 | **8:00 AM** | **Zoom Telephonic Meeting**

Join Zoom Meeting:
https://glwater.zoom.us/j/81666306296?pwd=fZZAoac1pTEvXQqJyt9kRdSL6v9S9M.1

Join by Telephone
US Toll-Free:
877 853 5247; or 888 788 0099
Meeting ID: 816 6630 6296 Passcode: 694095

1. Call To Order

Chairperson Baker called the meeting to order at 8:02 a.m.

2. Quorum Call

Present: 3 - Chairperson Brian Baker, Director Gary Brown, and Director Jaye Quadrozzi

3. Approval of Agenda

Chairperson Baker requested a Motion to Approve the Agenda.

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Approved
The motion carried by a unanimous vote.

4. Approval of Minutes

A. 2026-034 Minutes of January 9, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 4A January 9, 2026 Audit Committee Meeting Minutes.pdf

Chairperson Baker requested a Motion to Approve the January 9, 2026 Audit Committee Meeting Minutes.

Motion By: Jaye Quadrozzi
Support By: Gary Brown
Action: Approved
The motion carried by a unanimous vote.

5. Public Comment

There were no public comments.

6. Old Business

A. 2026-043 FY 2027 & FY 2028 Biennial Budget Resolution and the Resolution for the Proposed FY 2027 Schedule of Charges

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 6A1 FY 2027 & FY 2028 Biennial Budget Discussion Draft.pdf
6A2 FY 2027 & 2028 Budget, FY 2027 Charges & Plan 1.30.2026.pdf
6A3 FY 2027 & 2028 Budget, FY 2027 Charges & Plan 1.30.2026 binder

Motion By: Jaye Quadrozzi
Support By: Gary Brown
Action: Received and Filed
The motion carried by a unanimous vote.

B. 2026-013 Recommendation to the Board of Directors to Approve Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial Budget Subject to Public Comment at the Public Hearing to be Held on February 25, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 6B1 AC Memo - Budget Adoption Resolution.pdf
6B2 Board Cover Letter for Budget Resolution.pdf
6B3 Budget Resolution with support.pdf

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Postponed
The motion carried by a unanimous vote.

Note: Resolution 2026-013 has been postponed to the February 13, 2026 Audit Committee Special Meeting.

C. 2026-014 Recommendation to the Board of Directors to Approve Resolution 2026-014 to Adopt the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be Held on February 25, 2026

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 6C1 AC Memo 2026-014 Charges Adoption Resolution 1.30.2026.pdf
6C2 2026-014 Board Cover Letter for Charges Resolution.pdf
6C3 2026-014 Resolution Legistar-Charges 1.30.2026.pdf
6C4 Proposed FY 2027 Schedule of Water Charges 012626.pdf
6C5 Proposed FY 2027 Schedule of Sewer Charges 012626.pdf
6C6 Industrial Service Charges-Sewer-012626.pdf

Motion By: Jaye Quadrozzi
Support By: Gary Brown
Action: Postponed
The motion carried by a unanimous vote.

Note: Resolution 2026-014 has been postponed to the February 13, 2026 Audit Committee Special Meeting.

D. 2026-048 Debt Management Considerations - Variable Rate Debt

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 6D1 AC Memo - Variable Rate Debt Past and Present.pdf
6D2 PFM Variable Rate Debt Work Session with Audit Committee v2.pdf

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Received and Filed
The motion carried by a unanimous vote.

7. New Business

A. 2026-015 **Scheduling of Public Hearing for the GLWA FY 2027 Clean Water State Revolving Fund (CWSRF) Program Project Plan Submittals**

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 7A1 AC Memo - Request to Schedule FY 2027 CWSRF Public Hearing.pdf
7A3 FY 2027 CWSRF Public Hearing Notice - GLWA.pdf

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Recommended for Approval to the Board of Directors Agenda of February 25, 2026
The motion carried by a unanimous vote.

8. Reports

A. CFO Report (Verbal Update)

Nicolette Bateson, Chief Financial Officer/Treasurer, gave a verbal update regarding the Water Infrastructure Funding Task Force; a recent loan closing on an SRF project; a new team member that will be joining FSA on Monday (February 2, 2026), Scott Garrigan (Financial Services Director), who will be leading the Financial Management and Planning Group; and an update on a WIFIA (Water Infrastructure Finance and Innovation Act) working group, which started work yesterday (January 29, 2026).

B. 2026-035 Monthly Financial Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8B October 2025 Monthly Financial Report.pdf

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Received and Filed
The motion carried by a unanimous vote.

C. 2026-036 Gifts, Grants & Other Resources Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8C1 Grants Gifts and Other Resources Report.pdf

Motion By: Gary Brown
Support By: Jaye Quadrozzi
Action: Received and Filed
The motion carried by a unanimous vote.

D. 2026-037 Affordability & Assistance Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8D1 Affordability & Assistance Update.pdf

8D2 Water Program Timeline Infographic.pdf

Motion By: Jaye Quadrozzi
Support By: Gary Brown
Action: Received and Filed
The motion carried by a unanimous vote.

Note: Director Quadrozzi excused herself from the remainder of the meeting at 9:43 a.m.

E. 2026-038 FY 2026 Quarterly Construction Work in Progress Report through September 30, 2025

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8E Quarterly CWIP Report FY 2026 Q1 - Cover Memo.pdf

8E Quarterly CWIP Report FY 2026 Q1.pdf

Motion By: Gary Brown
Support By: Brian Baker
Action: Received and Filed
The motion carried by a unanimous vote.

F. 2026-039 Vendor Outreach Event Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8F1 Vendor Outreach Event Memo.pdf

8F2 2025 VOE Final Report.pdf

Motion By: Gary Brown
Support By: Brian Baker
Action: Received and Filed
The motion carried by a unanimous vote.

G. 2026-040 Annual Conflict of Interest Report Update

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8G COI_Final_Report_2025.pdf

Motion By: Gary Brown
Support By: Brian Baker
Action: Received and Filed
The motion carried by a unanimous vote.

H. 2026-041 FY 2027 Updated Units of Service Report

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 8H1 AC Memo FY 2027 Updated Units of Service Report.pdf
8H2 FY 2027 Updated Units of Service Report 1.13.2026.pdf

Motion By: Gary Brown
Support By: Brian Baker
Action: Received and Filed
The motion carried by a unanimous vote.

9. Communications

A. 2026-042 The Procurement Pipeline

Sponsors: Nicolette Bateson

Indexes: Finance

Attachments: 9A The January 2026 Procurement Pipeline.pdf

No Action Taken

10. Look Ahead

A. Next Audit Committee Meeting: February 13, 2026 at 8:00 a.m.

11. Other Matters

There were no other matters.

12. Adjournment

Chairperson Baker requested a Motion to Adjourn.

Motion By: Gary Brown
Support By: Brian Baker
Action: Approved
The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 9:51 a.m.

Financial Services
Audit Committee Communication

Date: February 13, 2026

To: Great Lakes Water Authority Audit Committee

From: Nicolette N. Bateson, Chief Financial Officer & Treasurer

Re: *Discussion:* Proposed FY 2027 & FY 2028 Biennial Budget and Proposed FY 2027 Schedule of Charges

Background: In accordance with service agreements with the Great Lakes Water Authority (GLWA) member partners, the budget and charges for the next fiscal year are annually presented in January each year. To accommodate that schedule, the upcoming year's budget is presented to the Audit Committee within the context of the biennial budget and five-year financial plan as well as a ten-year forecast.

Analysis: Attached are additional materials in considering this year's proposed budget and charges. Companion Board Letters and Resolutions follow this presentation.

1. Agenda item # 6B - Adoption of the FY 2027 & FY 2028 Biennial Budget
2. Agenda item # 6C - Approval of the FY 2027 Schedule of Service Charges

Proposed Action: Receive and file.

FY 2027 & FY 2028 Biennial Budget and Five-Year Plan, Proposed FY 2027 Charges and Long-Term Financial Plan

Audit Committee
February 13, 2026

Budget & Charges Timeline

Wednesday, October 8, 2025
GLWA Board of Directors Annual Budget & Charges Briefing

Thursday, November 6, 2025
Charges 101: Foundations of GLWA Charge-Making

Thursday, November 13, 2025
Charges Rollout #1 & #2: CIP-Units of Service

Friday, January 9, 2026
PRELIMINARY Proposed Revenue Requirement and Proposed Charges Presented to Audit Committee

Thursday, January 15, 2026
Charges Rollout #3: Proposed FY 2027 Revenue and Charges

January 16 & 20-21, 2026
Member Partner 1:1 Meetings

Thursday, January 22, 2026
Charges Rollout #4: Feedback on Proposed Charges and Continued Revenue Requirement Review

Wednesday, January 28, 2026
GLWA Board of Directors Proposed Budget & Charges Presentation

Friday, January 30, 2026
GLWA Audit Committee Proposed Budget & Charges Review

Friday, February 13, 2026
GLWA Audit Committee Proposed Budget & Charges Review

Wednesday, February 25, 2026
Proposed Biennial FY 2027 & FY 2028 Budget/Charges Public Hearing

Monday, July 1, 2026
Biennial FY 2027 & FY 2028 Budget/Charges

Links to Prior Budget & Charges Presentations

- Charges Rollout
  - Rollout 1 & 2 Combined
    - Rollout 1 – Capital Improvement Plan
    - Rollout 2 – Units of Service
  - Rollout 3 - Budget & Charges Part 1
  - Rollout 4 – Budget & Charges Part 2
- Board
  - October 8, 2025 Budget and Charges Briefing
  - January 28, 2026 Proposed FY 2027 and FY 2028 Biennial Budget Request
    Proposed FY 2027 Schedule of Service Charges
- Audit Committee
  - January 9, 2026 Review Proposed FY 2027 & FY 2028 Biennial Budget & Financial Plan
    Proposed FY 2027 Charges Analysis
  - January 30, 2026 FY 2027 & FY 2028 Biennial Budget FY 2027 Charges
  - February 13, 2026 (will be posted at glwater.org/financials)

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Public Hearing Booklet

The complete document can be found on the GLWA website at [Public Hearing Summary of FY 2027 Schedule of Charges & FY 2027 & FY 2028 Biennial Budget]

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Public Hearing
Summary of
FY 2027 Schedule of Charges
and
FY 2027 & FY 2028
Biennial Budget
As Proposed

January 26, 2026

www.glwater.org

Budget Control Techniques

Budgeting Techniques Used

- **Five financial plan** – Smooths out budget impact of needs over multiple years while preserving future capacity

Today's Requests		Year 1	Year 2	Year 3	Year 4	Year 5
Project A	$ 100	$ 50	$ 50			
Project B	200	75	50	$ 50	$ 50	
Project C	100		25	75		
Project D	100				50	$ 50
Total	$ 500	$ 125	$ 125	$ 125	$ 100	$ 50
		Smoothing				Capacity

- **Cross-functional Collaboration** – *Financial Planning & Analysis (FP&A) team members* assigned to operating areas who work to understand operations. *Operational team members* who are fully engaged in the budget management - from proposal through execution. *Procurement team members* who proactively communicate and confer with changing costs.

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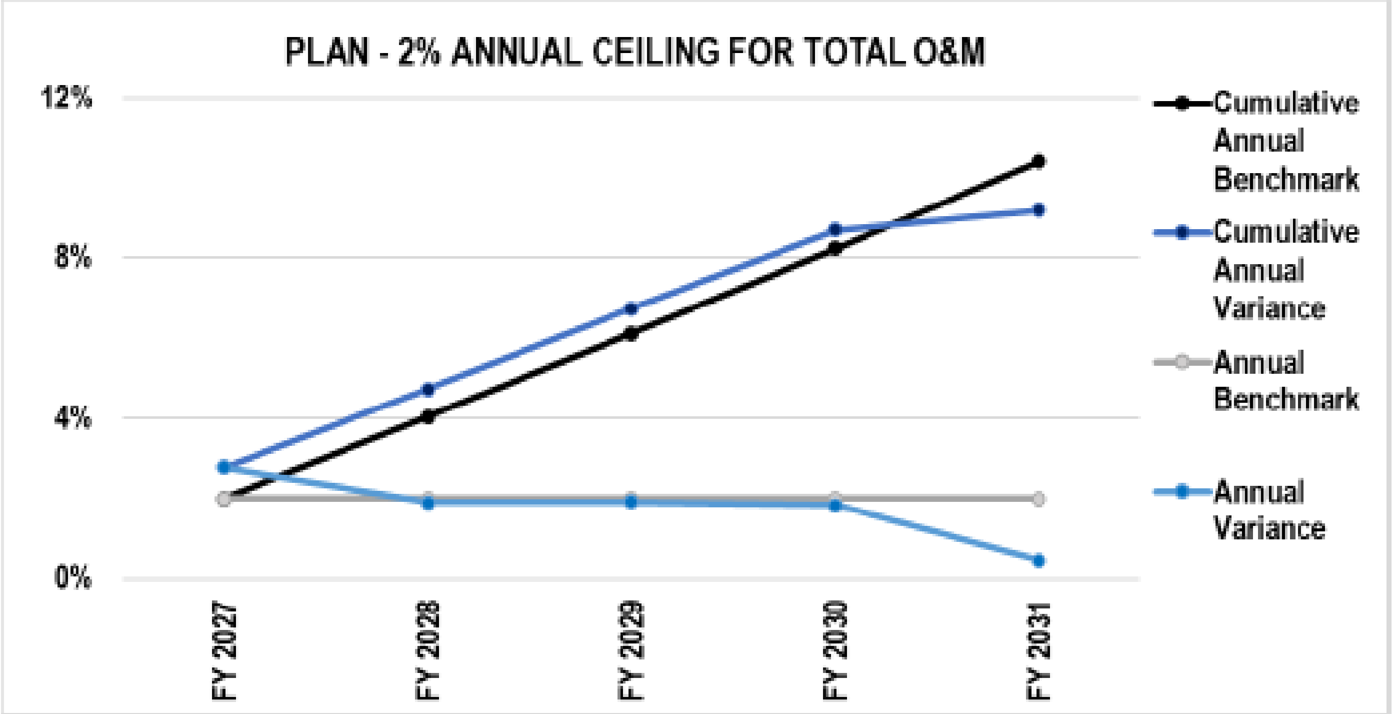
Budgeting Techniques Used

- **2% Ceiling** – A goal below inflation establishes stretch goals that fosters operational creativity and a culture of being cost conscious
- Measured annually and cumulatively
- Water pump station budget example – Page 71

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Water Pump Stations area financial plan reflects a five-year overall increase of 9.2% which is within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Budgeting Techniques Used - continued

- **Unallocated Reserve** – Leans out the "line items" by using a centralized, controlled budgetary reserve
  - Known to prevent temptation for budget line item "padding"
  - Fosters the annual 2% ceiling goal for budget increases below inflation
  - There are MANY estimates in GLWA's budgets– the operations are complex, impacted by weather, and asset failures can be unpredictable and costly
  - Budget managers can be conservative because they know there is a safety net
  - Ensures entity-wide equitable approach to compensation recommendations
  - If not depleted by year end, less pressure on future budget years
  - **How it works:** The "unallocated reserve" is transferred from its own line item to area when needed for matters like wage adjustments, product/service cost increases, and unanticipated expenses - *for the exact amount needed*
  - **How do we know it works?** See how many areas came in with a) modest percentage and/or dollar increases or b) budget decreases

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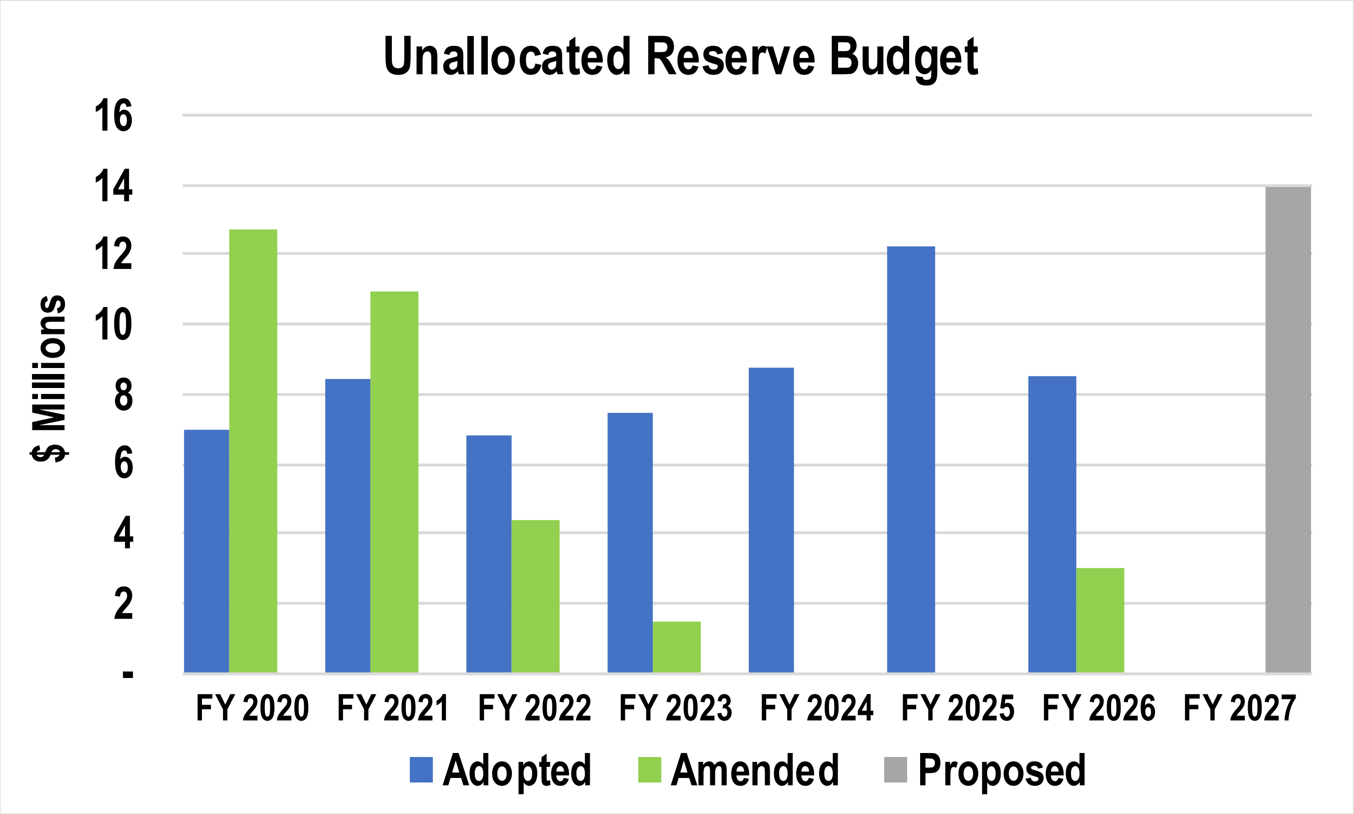
Unallocated Reserve

- Unallocated reserve is used for the following items that are not known at the time the budget is developed:
  - Unforeseen operational needs
  - Emergency repairs
  - New initiatives
  - Mid-year medical plan increases
  - Annual merit wage adjustments
  - Salary increases due to step increases
  - Salary increases due to promotions
  - Vacant positions filled early in the fiscal year (budgeted at 0.25 FTEs)



Emerging Topics

Evolving Budget Developments

- Budget development occurs 8+ months before start of fiscal year
- Changing conditions and priorities are a reality - each of these items is discussed on subsequent slides

Topic	Low	High
Fluoride (Hydrofluorosilicic acid) Supply Chain Constraint	$375,000	$970,000
Charge for building improvements for Main Office Building and Central Services Facilities	$840,000	$840,000
Detroit General Retirement System Pension	$1.1 Million	$3.3 Million
Healthcare Plan Experience Costs	$2.0 Million	$4.0 Million

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Hydrofluorosilicic Acid Supply Chain Constraint

- On January 22, 2026, GLWA received notice from one of its suppliers that, due to legislative and tariff impacts, production has been significantly reduced for this essential chemical
- The current cost is $320 per ton
- A backup supplier has been secured with a cost of $809 per ton
- Other options continue to be explored, including an alternative product at $550 per ton
- The estimated budget impact for FY 2026 is a range of $368,000 - $951,000 and for FY 2027 is from $375,000 - $970,000

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Shared Service Building Improvement Expense

- A presumed unintended consequence of the shared services agreement is that GLWA is not able to use capital funds for capital improvements to DWSD shared facilities

Facility	DWSD CIP Total Cost Estimate	GLWA Allocation per Utilization Study*	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Main Office Building									
Exterior Structural Repairs	$ 2,000,000	50.0%	$ 1,000,000	$ -	$ -	$ -	$ -	$ -	$ 1,000,000
Roof Replacement	2,000,000	50.0%	1,000,000	-	-	-	-	-	1,000,000
Window Replacement	3,000,000	50.0%	-	750,000	750,000	-	-	-	1,500,000
Subtotal - Main Office Building	7,000,000		2,000,000	750,000	750,000	-	-	-	3,500,000
Central Services Facililty									
Parking Lot	6,045,455		1,724,637	155,500					1,880,137
Roof Replacement	5,000,000	33.0%	-	330,000	1,320,000	-	-	-	1,650,000
Mechanical Improvements	2,700,000	33.0%	445,500	115,500	115,500	115,500	99,000	-	891,000
Subtotal - Central Services Facility	13,745,455		2,170,137	601,000	1,435,500	115,500	99,000	-	4,421,137
GLWA Operating Expense	***$ 20,745,455***		***4,170,137***	***1,351,000***	***2,185,500***	***115,500***	***99,000***	-	***7,921,137***
Share of O&M increase			***1.0%***	***0.3%***	***0.5%***	***0.0%***	***0.0%***		
Included in Proposed Budget			**3,330,000**	**1,360,500**	**2,185,500**	**115,500**	**99,000**	-	**7,090,500**
Budget Shortfall/(Amendment)			***$ 840,137***	***$ (9,500)***	***$ -***	***$ -***	***$ -***	***$ -***	***$ 830,637***

**Currently under review by DWSD*

- DWSD and GLWA team members are meeting to better understand long-term budget impacts.

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DGRS Pension Contribution (Slide 1 of 3)

- Detroit General Retirement System (DGRS), City of Detroit, and DWSD are parties to an agreement related to the assigned financial commitment to the GLWA as an outcome of the City's bankruptcy
- As part of the City's Plan of Adjustment, the DWSD Pension Pool (funded by GLWA at 70.3% and DWSD at 29.7%) advance funded the pension plan to provide relief for the City General Fund contribution through FY 2023
- Beginning with FY 2024, the GLWA pension commitment was to be established in a separate GLWA pension pool with defined amortization periods per the agreement – making the June 2024 actuarial report a key measurement date to establishing GLWA's financial commitment
- The actuarial report for June 30, 2024 was released on February 6, 2025 – this report presented a material increase in the liability

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DGRS June 2024 Report (Slide 2 of 3)

Actuarial report at of June 30, 2024 revises projected $16.6M liability to $47.6M actual liability due to phasing in of investment losses from prior years impacting the funding value of assets

Experience

Experience was less favorable than assumed during the year ending June 30, 2024. The main source of the loss was the phasing in of investment losses from prior years impacting the Funding Value of Assets. The chart below shows the estimated loss by division.

Actuarial Report Excerpt

Development of Actuarial Gain or Loss

	($ Millions)				
	General City	D.O.T.	DWSD	Library	System Total
(1) UAAL as of June 30, 2023 (BOY)	$ 532.3	$ 286.8	$ 15.1	$ (7.7)	$ 826.5
(2) Actual Contributions	67.5	37.4	0.7	0.1	105.7
(3) Actual Administrative Expenses	1.4	0.1	1.2	0.2	2.8
(4) Interest at 6.75%	36.0	19.4	1.1	(0.5)	55.9
(5) Benefit Changes	-	-	-	-	-
(6) Assumption Changes	-	-	-	-	-
(7) Projected UAAL as of June 30, 2024	$ 502.2	$ 268.8	$ 16.6	$ (8.2)	$ 779.5
(8) Actual UAAL as of June 30, 2024	555.4	269.3	47.6	(4.6)	867.7
Gain or (Loss) (FVA): (7) - (8)	$ (53.1)	$ (0.5)	$ (31.0)	$ (3.6)	$ (88.2)
Gain or (Loss) from ASF Recoupment	$ (8.3)	$ (3.0)	$ (4.3)	$ (0.4)	$ (16.0)
Gain or (Loss) from Liabilities	(12.4)	5.3	1.4	1.1	(4.7)
Gain or (Loss) from Investments (FVA)	(32.4)	(2.8)	(28.1)	(4.3)	(67.6)
Total Gain or (Loss) (FVA)	$ (53.1)	$ (0.5)	$ (31.0)	$ (3.6)	$ (88.2)

Source: The General Retirement System of the City of Detroit Actuarial Valuation of Component II as of June 30, 2024 dated February 6, 2025 prepared by Gabriel, Roeder, & Smith, Page 9

Source: Agreement Re GRS Defined Benefit Plan Among City of Detroit And General Retirement System of City of Detroit And Great Lakes Water Authority Dated December 1, 2025, Page 5

(b) For each Fiscal Year commencing from and after July 1, 2023, on its normal schedule for determining the current Fiscal Year's contributions to the GRS, the GRS shall provide the Authority with a determination of the UAAL for the Authority Pension Pool

5

Pension Agreement Excerpt

using the market value of assets for the Authority Pension Pool and whether the Authority Pension Pool is funded at 100%. If the Authority Pension Pool is fully funded at 100% or more, no contributions for the current Fiscal Year will be required of the Authority. If the Authority Pension Pool is less than 100% funded, then the Authority shall make such level annual contributions to the GRS as necessary to amortize such shortfall over five (5) years (or such greater period not to exceed ten (10) years as agreed upon by GRS and the Authority) at an interest rate equal to the then current GRS investment return assumption. Except for the additional payments required by this subsection (b), if any, the Authority shall have no further liability whatsoever to the City or the GRS in connection with any other shortfalls that that may occur with respect to the GRS Plan.

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DGRS Next Steps

- Discussions are underway with DGRS, City, DWSD, and GLWA regarding next steps of complex agreement and actuarial assumptions
- **FY 2027 Budget and Financial Plan based on FY 2026 contribution** due to open matter at this time; May be understated based on the following analysis provided by GRS in January 2026
  - GRS Alternate 1: 10-year amortization of $4.2 million annually
  - GRS Alternate 2: 5-year amortization of $6.5 million annually

Description	Proposed FY 2027 Budget as Presented	Scenario 1 - FY 2027 10-Year Amortization	Potential Shortfall	Scenario 2 - FY 2027 5-Year Amortization	Potential Shortfall
Administrative Fee					
GLWA-Water	$ 154,700	$ 153,200	$ 1,500	$ 153,200	$ 1,500
GLWA-Sewer	276,700	274,200	2,500	274,200	2,500
Total Administrative Fee	**431,400**	**427,400**	**4,000**	**427,400**	**4,000**
Legacy Pension Obligation - Component II (Nonoperating)					
GLWA-Water	953,900	1,353,700	(399,800)	2,161,900	(1,208,000)
GLWA-Sewer	1,707,300	2,422,900	(715,600)	3,869,400	(2,162,100)
Total Legacy Pension Obligation	**2,661,200**	**3,776,600**	**(1,115,400)**	**6,031,300**	**(3,370,100)**
Total Pension Contribution	**$ 3,092,600**	**$ 4,204,000**	**$ (1,111,400)**	**$ 6,458,700**	**$ (3,366,100)**

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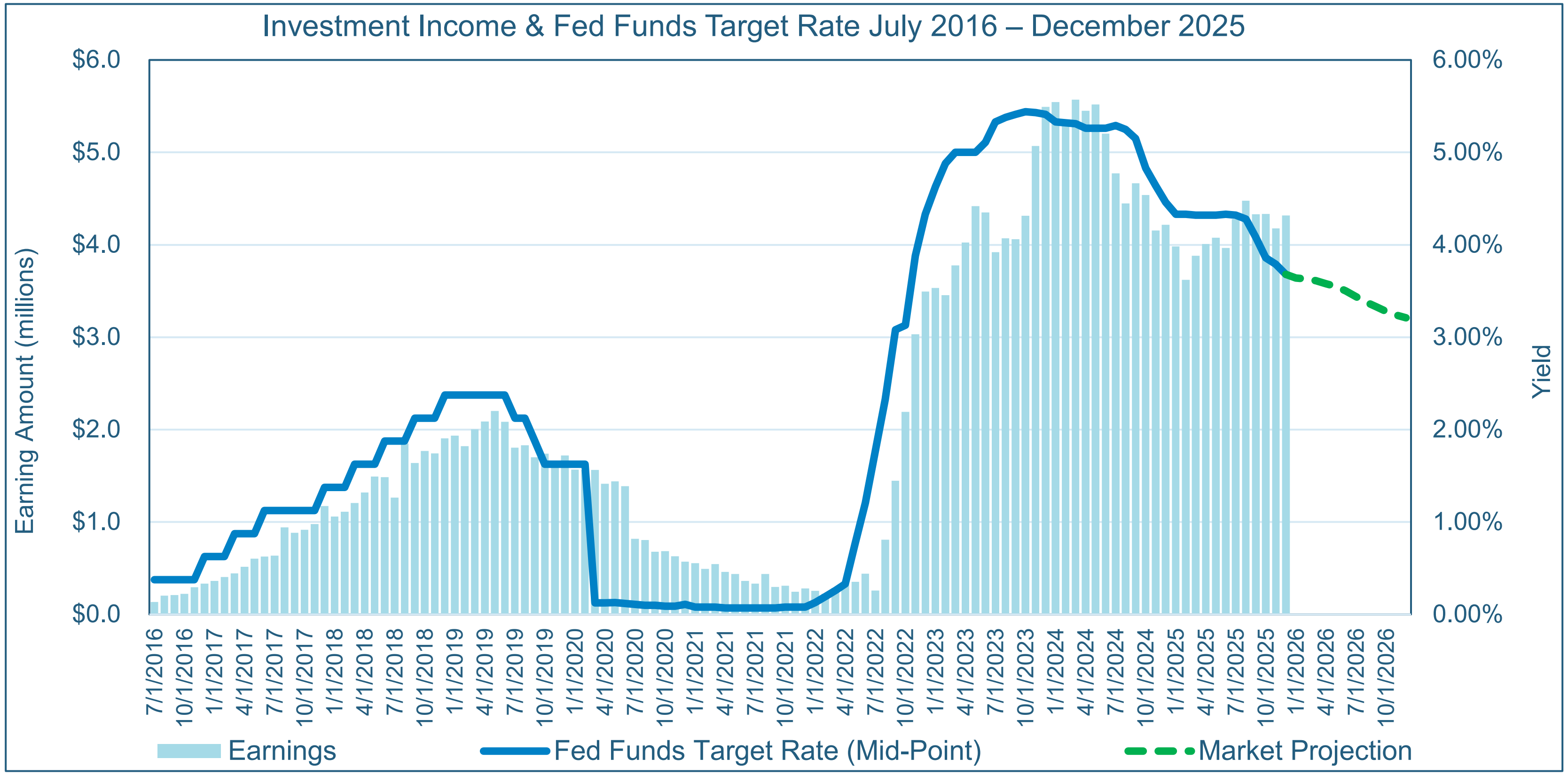
Portfolio Snapshot

Monthly Investment Income Compared to Fed Funds Rate

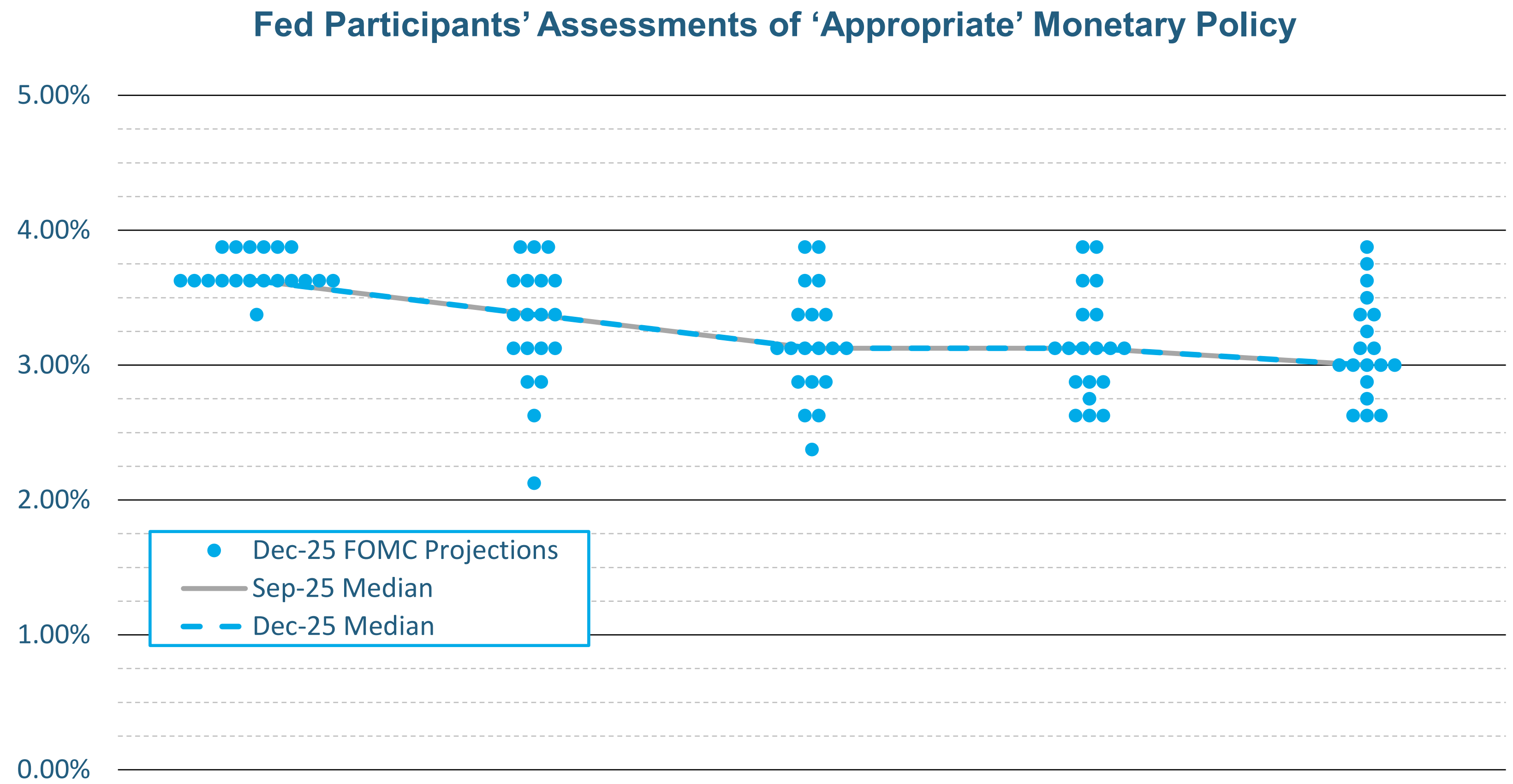
- At least 50% or more of the GLWA portfolio is designated for obligations that are 12 months or less. As a result of the short-term duration of GLWA's portfolio, it is heavily impacted by changes in the Federal Funds target rate; the chart below illustrates that GLWA's income has consistently followed the trend of the Fed Funds rate.

- The Fed remains data-dependent, with monetary policy now near the plausible range of neutral and, at most, modestly restrictive. Fed Chair Powell has recently described the economy as entering 2026 on a 'firm footing,' supported by resilient consumption and ongoing business investment, even as housing remains weak. Both upside inflation risks and downside employment risks have diminished, reinforcing the Fed's case for patience going forward.



Source-Prepared by PFM Asset Management
Investment Performance Report – December 25, 2026

The December Fed "Dot Plot"



Source: : FOMC Chair Jerome Powell Press Conference, December 10, 2025. Federal Reserve; Bloomberg Finance L.P.. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the Federal Funds rate at each year-end. As of December 2025.

Source-Prepared by PFM Asset Management
Investment Performance Report – December 25, 2025

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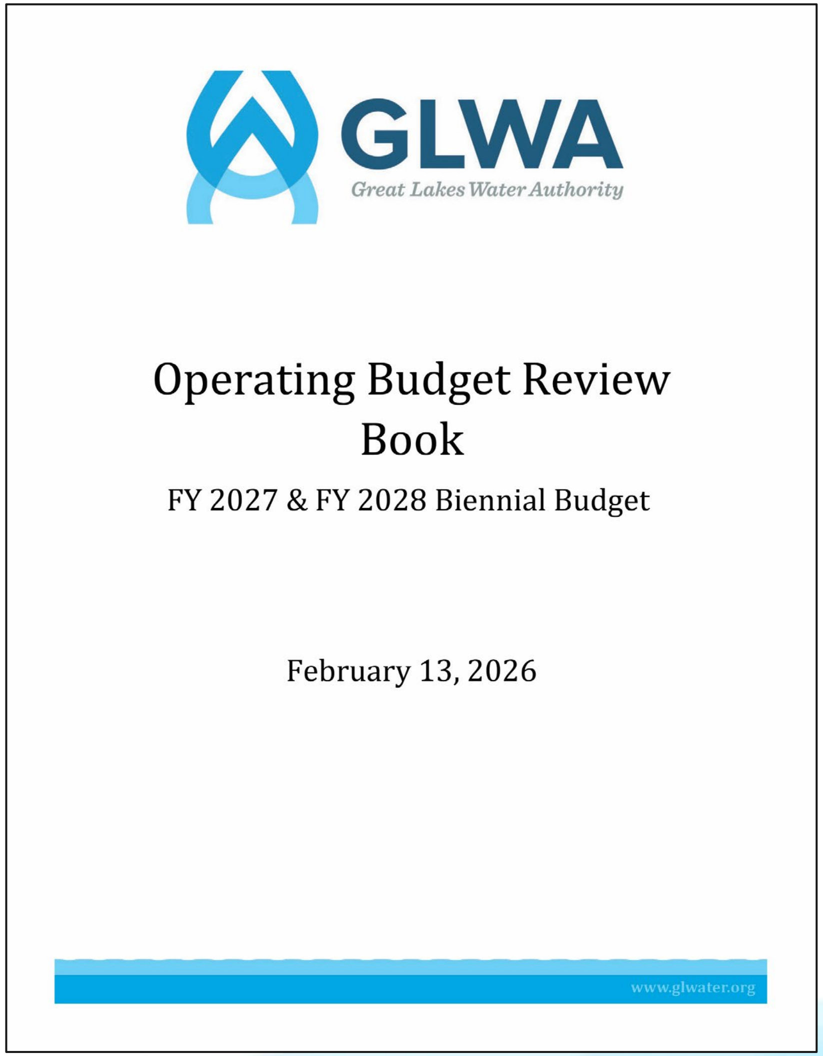
Operating Budget Review Book

- New this year
- Focus on Operating Budget
- Highlights Priorities
- Includes both One Pagers, Operating Area Overviews, and Line Item Detail information for each type of stakeholder interest



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Operating Budget Review Book

FY 2027 & FY 2028 Biennial Budget

February 13, 2026

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Item of Note: Water Transmission & Sewer Conveyance Realignment

- Beginning in FY 2025 operational responsibilities for water transmission and sewage conveyance started a realignment to separate the maintenance activities which align with the overall plan for each system.
- Beginning with FY 2026, and finalizing in the FY 2027 budget cycle, Field Services Operations and Systems Control budgets for sewage conveyance infrastructure were transferred to the wastewater operations budget. These are centralized cost centers.
- This involved identifying specific contracts for maintenance either transferred to or separated for sewer conveyance.

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Water Transmission & Sewer Conveyance Realignment (Continued)

The former Field Services Operations (Centralized Services) cost center will become the following cost centers. The planned go-live date for the new centers is July 1, 2026 (FY 2027).

- Water System Operations
  - Water Transmission (882310)
  - Maintenance & Repair (882315)
  - Electrical & Mechanical Maintenance (882318)
- Wastewater System Operations
  - Sewage Conveyance Administration (892260)
  - Sewer Linear Infrastructure (892436)
- Centralized Services
  - Utility Review & Permits (URAP) (882430)

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Included for Reference

Water O&M Summary

Schedule 6 – Operations & Maintenance – Water Operations Fund – Biennial Budget

Water Operations Fund	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Amended Budget	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Salaries & Wages	$ 31,861,632	$ 42,011,500	$ 44,090,500	**$ 48,594,300**	**$ 6,582,800**	**15.7%**	50,082,300
2.3 Overtime	6,393,764	4,219,000	4,219,100	**5,332,900**	**1,113,900**	**26.4%**	5,380,800
2.4 Employee Benefits	21,792,382	14,210,100	14,554,200	**16,523,500**	**2,313,400**	**16.3%**	17,188,100
Total Personnel Costs	60,047,778	60,440,600	62,863,800	**70,450,700**	**10,010,100**	**16.6%**	72,651,200
3.1 Electric	28,416,567	31,856,600	32,384,600	**31,235,200**	**(621,400)**	**-2.0%**	31,764,400
3.2 Gas	1,415,006	1,219,600	1,219,600	**1,217,500**	**(2,100)**	**-0.2%**	1,233,100
3.3 Sewage Service	1,035,866	782,200	782,200	**834,900**	**52,700**	**6.7%**	846,900
3.4 Water Service	7,412	8,400	8,400	**4,900**	**(3,500)**	**-41.7%**	4,900
Total Utility Costs	30,874,851	33,866,800	34,394,800	**33,292,500**	**(574,300)**	**-1.7%**	33,849,300
4.1 Chemicals	14,111,802	14,904,300	14,904,300	**14,906,600**	**2,300**	**0.0%**	15,303,900
4.2 Supplies & Other	17,160,384	15,683,500	15,686,400	**17,707,100**	**2,023,600**	**12.9%**	17,349,800
4.3 Contractual Services	59,845,953	56,438,200	58,509,700	**53,874,000**	**(2,564,200)**	**-4.5%**	53,183,100
5.1 Capital Program Allocation	(1,700,664)	(1,726,000)	(1,726,000)	**(2,025,500)**	**(299,500)**	**17.4%**	(941,800)
5.2 Shared Services	(2,054,911)	(882,900)	(860,300)	**(857,200)**	**25,700**	**-2.9%**	(897,500)
5.5 Intergovermental Agreement	(2,879,562)	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	3,731,500	487,900	**6,215,200**	**2,483,700**	**66.6%**	10,238,600
Total Other Categories	84,483,002	88,148,600	87,002,000	**89,820,200**	**1,671,600**	**1.9%**	94,236,100
Grand Total	**$ 175,405,631**	**$ 182,456,000**	**$ 184,260,600**	**$ 193,563,400**	**$ 11,107,400**	**6.1%**	**$ 200,736,600**

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Sewer O&M Summary

Included for Reference

Schedule 7 – Operations & Maintenance – Sewer Operations Fund - Biennial Budget

Sewer Operations Fund	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Amended Budget	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Salaries & Wages	64,123,182	56,859,600	59,264,800	**55,808,500**	**(1,051,100)**	**-1.8%**	58,115,200
2.3 Overtime	3,730,879	4,692,400	4,692,300	**4,308,800**	**(383,600)**	**-8.2%**	4,308,800
2.4 Employee Benefits	8,980,890	16,912,800	17,313,200	**17,353,200**	**440,400**	**2.6%**	18,316,000
Total Personnel Costs	76,834,951	78,464,800	81,270,300	**77,470,500**	**(994,300)**	**-1.3%**	80,740,000
3.1 Electric	18,161,562	19,451,500	18,923,500	**18,643,100**	**(808,400)**	**-4.2%**	19,028,700
3.2 Gas	6,246,056	5,893,000	5,893,000	**7,843,900**	**1,950,900**	**33.1%**	7,719,500
3.3 Sewage Service	1,364,344	1,673,100	1,673,100	**1,477,300**	**(195,800)**	**-11.7%**	1,506,400
3.4 Water Service	10,412,468	12,194,400	12,194,400	**11,153,400**	**(1,041,000)**	**-8.5%**	10,152,500
Total Utility Costs	36,184,430	39,212,000	38,684,000	**39,117,700**	**(94,300)**	**-0.2%**	38,407,100
4.1 Chemicals	20,273,321	23,460,300	22,284,700	**19,400,100**	**(4,060,200)**	**-17.3%**	19,723,400
4.2 Supplies & Other	28,566,939	29,527,700	29,829,600	**30,379,000**	**851,300**	**2.9%**	32,860,600
4.3 Contractual Services	70,823,305	63,770,000	65,756,700	**66,581,600**	**2,811,600**	**4.4%**	67,796,400
5.1 Capital Program Allocation	(1,199,916)	(1,704,600)	(1,704,600)	**(1,393,500)**	**311,100**	**-18.3%**	(929,900)
5.2 Shared Services	(527,744)	(1,426,200)	(1,403,500)	**(1,517,600)**	**(91,400)**	**6.4%**	(1,572,200)
5.5 Intergovermental Agreement	(1,201,306)	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	4,794,700	2,483,600	**7,725,600**	**2,930,900**	**61.1%**	11,385,200
Total Other Categories	116,734,600	118,421,900	117,246,500	**121,175,200**	**2,753,300**	**2.3%**	129,263,500
Grand Total	**$ 229,753,981**	**$ 236,098,700**	**$ 237,200,800**	**$ 237,763,400**	**$ 1,664,700**	**0.7%**	**$ 248,410,600**

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Water & Sewer O&M Combined

Included for Reference

Schedule 8 – Operations & Maintenance – Water & Sewer Operations Combined - Biennial Budget

	FY 2025	FY 2026			FY 2027			FY 2028
Expense Category	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 84,979,179	$ 86,632,900	$ 91,086,600	24,462,602	$ 95,548,000	$ 8,915,100	10.3%	$ 98,924,700
2.2 Workforce Development	2,811,306	3,746,800	3,777,300	571,889	2,426,200	(1,320,600)	-35.2%	2,821,700
2.3 Overtime	10,124,433	8,911,400	8,911,400	2,724,141	9,641,700	730,300	8.2%	9,689,600
2.4 Employee Benefits	30,773,272	31,122,900	31,867,400	8,946,539	33,876,700	2,753,800	8.8%	35,504,100
2.5 Transition Services	8,194,544	8,491,400	8,491,400	2,136,222	6,428,600	(2,062,800)	-24.3%	6,451,100
Total Personnel Costs	136,882,734	138,905,400	144,134,100	38,841,393	147,921,200	9,015,800	6.5%	153,391,200
3.1 Electric	46,578,127	51,308,100	51,308,100	11,929,850	49,878,300	(1,429,800)	-2.8%	50,793,100
3.2 Gas	7,661,062	7,112,600	7,112,600	1,690,388	9,061,400	1,948,800	27.4%	8,952,600
3.3 Sewage Service	2,400,208	2,455,300	2,455,300	600,595	2,312,200	(143,100)	-5.8%	2,353,300
3.4 Water Service	10,419,881	12,202,800	12,202,800	3,081,520	11,158,300	(1,044,500)	-8.6%	10,157,400
Total Utility Costs	67,059,278	73,078,800	73,078,800	17,302,353	72,410,200	(668,600)	-0.9%	72,256,400
4.1 Chemicals	34,385,124	38,364,600	37,189,000	7,798,289	34,306,700	(4,057,900)	-10.6%	35,027,300
4.2 Supplies & Other	45,727,329	45,211,200	45,516,000	10,672,770	48,086,100	2,874,900	6.4%	50,210,400
4.3 Contractual Services	128,153,081	120,208,200	124,266,400	30,440,750	120,455,600	247,400	0.2%	120,979,500
5.1 Capital Program Allocation	(2,900,581)	(3,430,600)	(3,430,600)	(790,824)	(3,419,000)	11,600	-0.3%	(1,871,700)
5.2 Shared Services	(2,582,655)	(2,309,100)	(2,263,800)	(571,650)	(2,374,800)	(65,700)	2.8%	(2,469,700)
5.5 Intergovermental Agreement	(1,564,690)	-	-	-	-	-	0.0%	-
7.0 Unallocated Reserve	-	8,526,200	2,971,500	-	13,940,800	5,414,600	63.5%	21,623,800
Total Other Categories	201,217,608	206,570,500	204,248,500	47,549,335	210,995,400	4,424,900	2.1%	223,499,600
Grand Total	$ 405,159,620	$ 418,554,700	$ 421,461,400	$ 103,693,081	$ 431,326,800	$ 12,772,100	3.1%	$ 449,147,200

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Categories A (Water) & B (Sewer/Wastewater)

- Water
  - Water Operations – Page 33 – $1.8M or 2% increase
  - Water Pump Stations – Page 33 – $362k or 2.8% increase
- Sewer/Wastewater
  - Wastewater Operations – Page 35 – $1.8M or 1.2% increase
  - Wastewater Pump Stations – Page 35 – $305k or 10.2% increase

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Category C – Centralized Services

- Planning Services – Page 37 – $475K or 2.8% increase
- System Resiliency – Page 37 - $165k or 7.9% increase
- *System Operations Controls – Page 37 - $1.9M or 13.5% decrease*
- *Facility Operations – Page 37 - $1.4M or 12% decrease*
- Fleet Operations – Page 37 – $396k or 13.6% increase
- *Field Service Operations – Page 37 - $556k or 4.1% decrease*
- Energy, Research & Innovation – Page 37 - $387k or 12.4% increase
- Transformation – Page 37 - $29k or 6.4% increase
- **Information Technology – Page 37 - $1.8M or 3.9% increase**
- *Security & Integrity – Page 37 - $256k or 3.0% decrease*

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Category D – Administrative Services

- Board of Directors – Page 39 - $3k or 2% increase
- Chief Executive Officer - Page 39- $6k or 0.8% increase
- *Chief Administrative & Compliance Officer – Page 39 -$51k or 0.5% decrease*
- General Counsel – Page 39 - $845k or 21.6% increase
- Public Affairs – Page 39 - $142k or 7.1% increase
- *Organizational Development – Page 39 - $25K or 0.4% decrease*
- Financial Services – Page 39 - $41k or 0.2% increase

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Budget Book Review – Categories A & B

- Water System (Category A) – Page 43
  - Water Operations - Starts on Page 46 with *discussion on Page 51*
  - Water Pump Stations – Starts on Page 66, note pie chart on Page 67 with 19 pump stations relative cost with *discussion on Page 68; and capital outlay (I&E) on Page 72*
- Wastewater System (Category B)– Page 77
  - Wastewater Operations – Starts on Page 80, note pie chart on Page 84 *with budget discussion on Page 85; personnel budget notes on Page 87; and capital outlay (I&E) on Page 93*
  - Wastewater Pump Stations – Starts on Page 103, note pie chart on Page 105; *budget discussion on Page 106*

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Budget Book Review – Category C

- Centralized Services Overview begins on Page 114 noting pie chart; *cost allocation on page 117 noting discussion of realignment which increased water allocation for certain activities*
- System Resiliency begins on Page 121 and *discussion on page 124*
- Planning Services begins on Page 128, ***note addition of water master plan on contracts table on Page 132 (RFP has been issued) and future Good Sewer Meter Practice Analysis & Support on Page 133 and Asset Management Planning contract on Page 134 as well as wind down of AECOM contract after Kahua implementation****; note discussion on Page 137; Personnel on Page 138; Capital outlay on Page 144*

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Budget Book Review – Category C (continued)

- Systems Control - Begins on Page 148; *discussion on Page 151 noting realignment of costs project and personnel budget*
- Facility Operations – Begins on Page 156; *discussion on Page 159*
- Fleet Operations – Begins on Page 163*; discussion on page 165*
- Field Service Operations – Begins on Page 170; *discussion on Page 173 noting realignment of costs project* and staffing plan
- Energy, Research, & Innovation – Begins on Page 178; *discussion on Page 182*
- Transformation – Begins on Page 187; *discussion on Page 189*

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Budget Book Review – Category C (continued)

- Information Technology – Begins on Page 194 - *Discussion on Page 194*; ***Significant contracts on Page 196 including disaster recovery services and Kahua;*** *pie chart on Page 197; discussion on Page 198; Personnel on Page 199*
- Security & Integrity – Begins on Page 208 – *Discussion on Page 208; pie chart on page 210; discussion on Page 211*

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Budget Book Review – Category D

- Administrative Services Overview begins on Page 218 noting pie chart; *cost allocation of specific contracts on page 222*
- Board of Directors begins on Page 223; *discussion on page 224*
- Chief Executive Officer begins on Page 228; *discussion on Page 229*
- Chief Administrative & Compliance Officer begins on Page 234; note *pie chart on Page 235; discussion on Page 236*
- General Counsel begins on Page 241; *discussion on page 242*
- Public Affairs begins on 247; *discussion on page 249*
- Organizational Development begins on Page 254; *see pie chart on Page 255; discussion on Page 256; Personnel on Page 257*
- Financial Services Begins on Page 263; *discussion on Page 266*

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Section 6 – Supplemental Schedules

- Operations & Maintenance Historical Analysis – Begins on Page 277; Bar charts in this section provide context to current budget; ***New this year - See discussion on Page 288***
- Personnel - Begins on Page 289; discussion on Page 291; ***New this year – See discussion on Page 292;*** *analysis on Page 293 to 294; turnover analysis on 295 - 298;*
- Utilities – begins on Page 306
- Bulk Chemicals – begins on Page 311
- Shared Services - begins on Page 317

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Section 6 – Supplemental Schedules (continued)

- Water Residential Assistance Plan – begins on Page 320
- Legacy Commitments – Begins on Page 326
- Capital Outlay - Begins on Page 330

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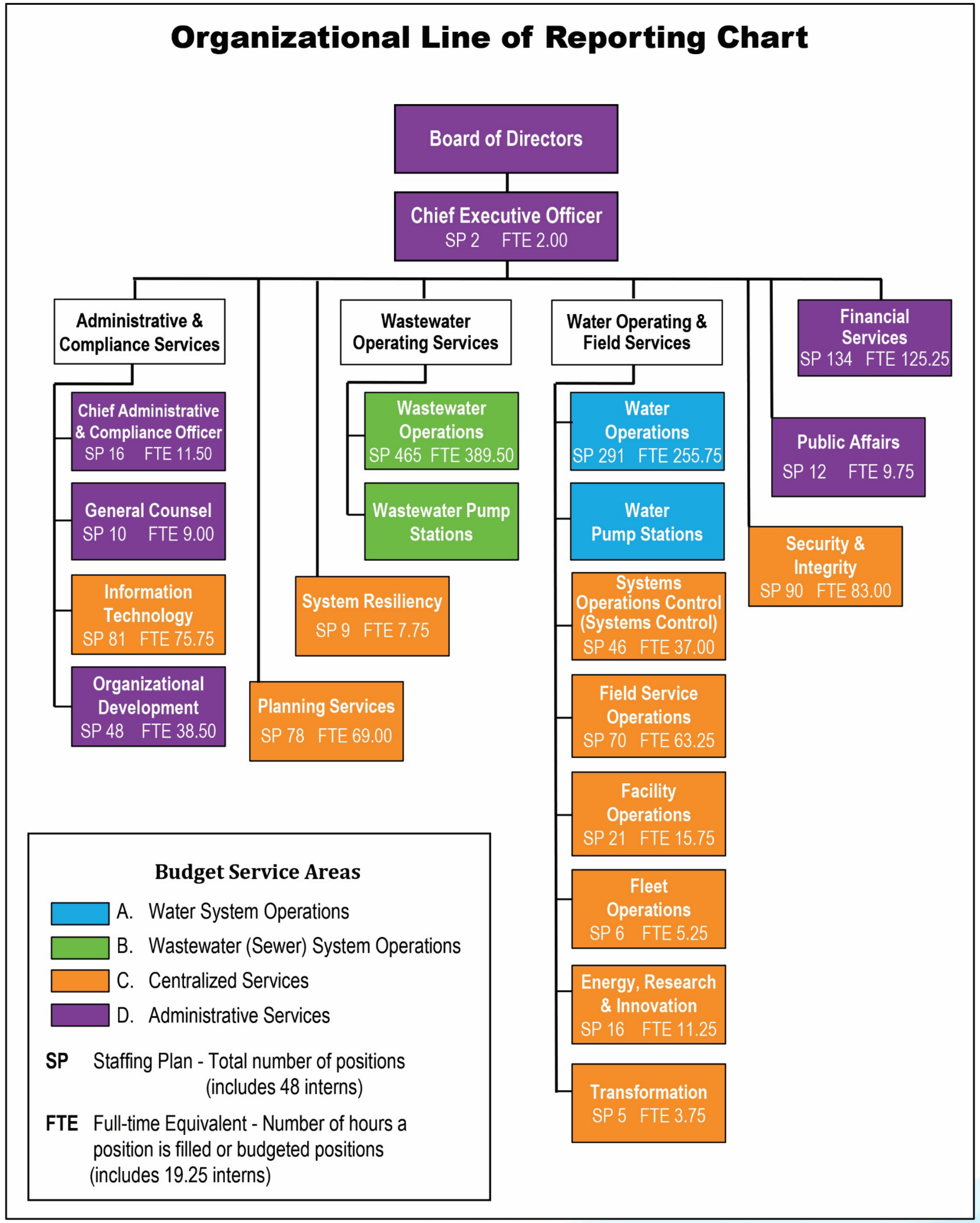
Personnel

- Organizational Line of Reporting Chart
- Page 32



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Salaries & Wages

Salaries & Wages Budget Rollforward Analysis *(excludes Apprentices & Interns)*		
FY 2026 Adopted Budget - Based on wage rates in effect at time that budget was prepared in **October 2024** for fiscal year that **begins July 1, 2025**	$	86,632,900
Plus: **FY 2026 First Quarter Budget Amendment (as of September 2025)** Merit, Market, Certificatiion and Skill-based Stipends, and Promotions (including effect of base pay adjustment impacts since November 2024)		4,453,700
FY 2026 Amended Budget as of September 30, 2025	**$**	**91,086,600**
FY 2026 Personnel Actions That Impact Beginning Salaries Budget at July 1, 2026		
Plus: Turnover - FY 2026 New hires for 99 positions budgeted at 30 FTE		5,144,000
Less: Turnover - FY 2026 Terminations of 83 now budgeted at zero or 0.25 FTE		(4,065,700)
Plus: Compensation for 12 Apprentices that graduated and filled regular vacancies - reclassified from Workforce Development Line Item to Salaries & Wages Line item		1,041,800
Plus: Reclassification of 12 Wastewater Operations positions now filled by regular team members rather than transition contractor		1,940,100
Other		401,200
Net FY 2026 Personnel Actions		**4,461,400**
Proposed FY 2027 Budget	**$**	**95,548,000**
FY 2028 Assumes no change in staffing positions and increase of 45 FTE		3,376,500
Proposed FY 2028 Budget	**$**	**98,924,500**
FY 2029 Assumes no change in staffing positions and increase of 47.5 FTE		3,581,400
Proposed FY 2029 Budget	**$**	**102,505,900**
FY 2030 Assumes net turnover is zero impact and market evaluates as July 1 approaches		-
Proposed FY 2030 Budget	**$**	**102,505,900**
FY 2031 Assumes net turnover is zero impact and market evaluates as July 1 approaches		-
Proposed FY 2030 Budget	**$**	**102,505,900**

5.1%

4.9%

3.5%

3.6%

0.0%

0.0%

- See Personnel Page 292
- Comparing Adopted Budget to Adopted Budget for Salary & Wages is not accurate view
- This is because "Adopted" Budget has Salary & Wages from previous October
- First Quarter Budget Amendment increases Salary & Wages Line and Decreases Unallocated Reserve
- Compare Amended Budget to Subsequent Year Adopted
- **Note: Percentages include merit, promotions, vacancies filled net of terminations, and other adjustments**

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Vacancy - 2.3% of FTE as of December 31, 2025

Staffing & Vacancy History (excludes interns)

	FY 2023	FY 2024	FY 2025	FY 2026		FY 2027	FY 2028
Staffing Plan							
Budgeted Positions	1,293	1,318	1,356	1,352		1,352	1,352
Positions Filled at Year-end	1,069	1,101	1,143	1,156	*		
Vacant Staffing Positions	**224**	**217**	**213**	**196**	*		
Vacancy Rate Staffing Positions	**17.3%**	**16.5%**	**15.7%**	**14.5%**	*		
Full-time Equivalents							
Budgeted Positions	1,234	1,153	1,203	1,181		1,194	1,245
Positions Filled at Year-end	1,066	1,099	1,141	1,154	*		
Vacant Full-time Equivalent	**168**	**54**	**62**	**27**	*		
Vacancy Rate Full-time Equivalent	**13.6%**	**4.7%**	**5.2%**	**2.3%**	*		

**As of 12.21.2025*

GLWA is entering a new era of personnel management as staffing stabilizes and financial resources are restrained

- Vacancy Table on Page 296
- To control budget growth, FTEs budgeted at low end of range
- The delta between budgeted and hired compensation comes from other positives varies (eg replacing a contractor) then Unallocated Reserve

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Staffing – Then and Now

- Strategic goals from five years ago have translated into staffing positions – especially over past three years
  - Insource capital delivery talent
  - Insource specialized skilled trades via apprenticeships& recruitment
  - Increase capital delivery and management of capital portfolio
  - Become an asset management centric organization
- January 2026 payroll roster demonstrates achievement of goals
  - 12 Life Cycle Project Managers (6 Water, 6 Sewer)
  - 25 Electricians (6 Water, 8 Sewer, 10 Field Services, 1 Facilities)
  - 11 Capital Improvement Planning Team Members (Centralized)
  - 10 Asset Management Team Members (Centralized)
- Recruiting Life Cycle Project Managers is still a top priority

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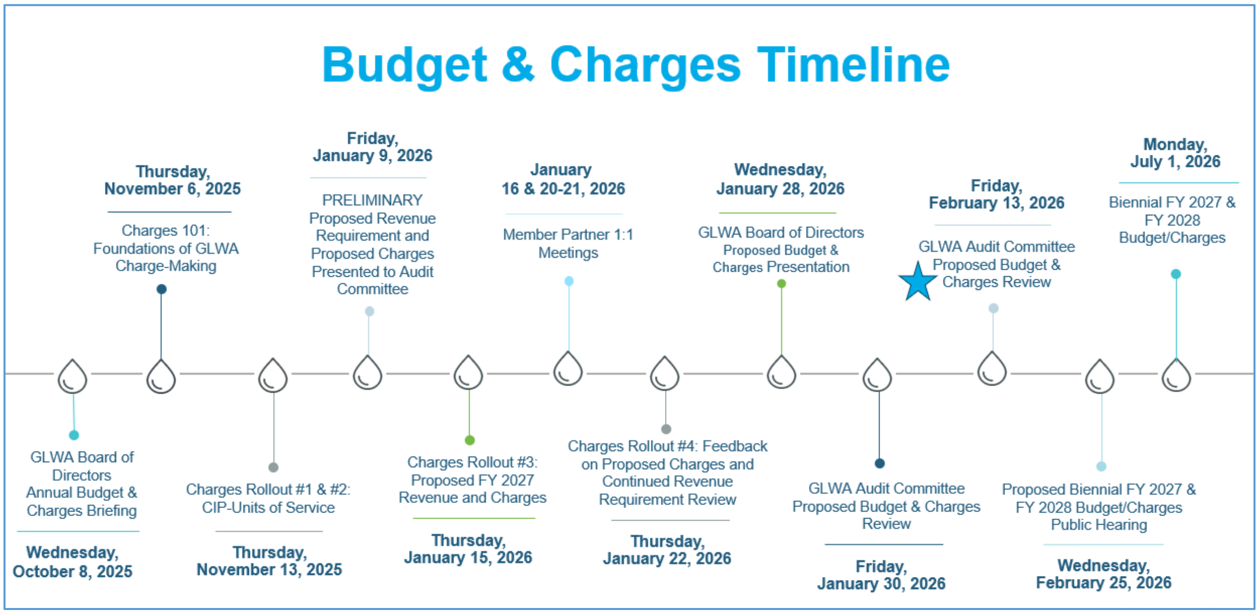
Operating Budget Review Book

FY 2027 & FY 2028 Biennial Budget

February 13, 2026

Purpose

The budgeting and planning cycle for the Great Lakes Water Authority spans several months. Eleven key dates are highlighted in the chart below that are a combination of public and/or Member Partner meetings leading up to the beginning of the fiscal year on July 1.



In addition to the meetings and presentations, the ten-year financial plan, discussed in October, threads together the subsequent capital improvement plan, revenue requirement, capital budgets, and charges.

The purpose of this document is to focus on the operations and maintenance (O&M) budget. This document is being presented at the February 13, 2026 GLWA Audit Committee meeting. A companion presentation at that meeting will provide an executive summary as well as key considerations at this point in the budget deliberation process.

For More Information

All Audit Committee binders, including this document and any related presentations, are publicly available at [Financial Resources - Great Lakes Water Authority].

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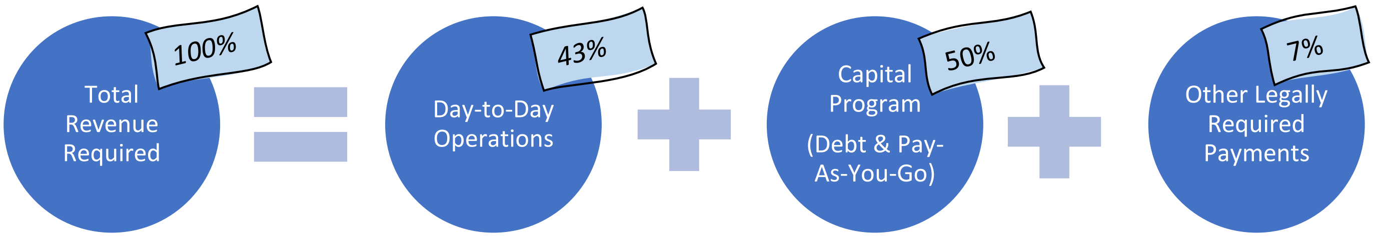
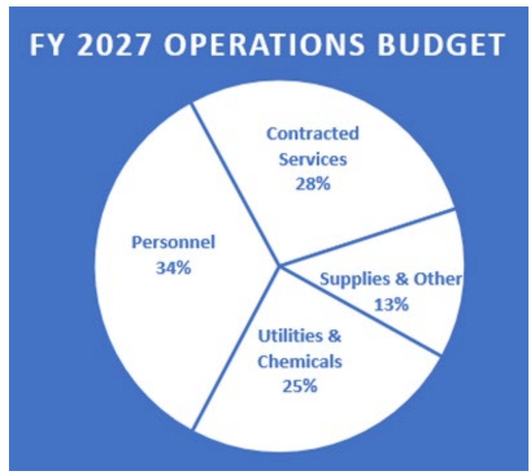
The total budget for a water utility, like the Great Lakes Water Authority (GLWA), is referred to as the "*revenue requirement.*" It tells us *how much revenue / cash is required* to operate and maintain the systems for a given year. The total revenue requirement increased by $49.4 million or 5.2% for FY 2027. Three major categories makeup GLWA's total revenue requirement of $1.0 billion.



Day-to-Day Operations includes the personnel, specialty contractual services, utilities, chemicals, and supplies to operate five water treatment plants, the largest single-site Water Resource Recovery Facility (WRRF) in North America and all of the systems, processes, and controls to manage the vast regional water and sewer network. The total FY 2027 Operations & Maintenance Budget is $431.3 million, up $12.8 million over the previous year. This growth is from cost increases for utilities, chemicals, insurance and contractual provisions. New this year is the start of the water master plan update and increased technology security measures. A net staffing increase is zero thanks to a successful apprenticeship program where graduates filled key vacancies.



Capital Program costs include making payments on bonded debt, balanced with cash funding, to prevent GLWA from maxing out its borrowing capability for future generations. Because many of our assets are underground, it is hard to envision the scope of all capital needs. For perspective, consider that there are over 800 miles of transmission main that move treated drinking water from five water treatment plants to the local systems' distribution network and there are also over 200 miles of trunk sewers and interceptors that return wastewater to the WRRF. The combined total of 1,000 miles equals the driving distance from Detroit to Jacksonville, Florida. The FY 2027 Capital Program-related revenue requirement is $506 million, an increase of $35 million.

Other Legally Required costs increased $1.5 million to $65.4 million. This includes the lease payment to the City of Detroit Water & Sewerage Department (DWSD) ($50 million restricted for DWSD debt and capital program needs), legacy pension payments to the City of Detroit General Retirement System ($7.8 million), a half of one percent of revenues for the Water Residential Assistant Program (WRAP) ($4.9 million), and a working capital requirement ($2.7 million).

Revenue Required from charges increased 6.2%. The average system charge increase to Member Partners of 6.83% for water and 5.98% for sewer is achieved with offsetting investment income and other (although to a lesser extent with an approximately $4 million decrease for each system).

Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org

The proposed operations and maintenance (O&M) budget accounts for 43% ($431.3M) of the total revenue requirement budget of $1.0 billion. Compared to the FY 2026 Adopted Budget, this is an increase of almost $12.8M (3.1%). The following is a discussion of the proposed O&M budget highlights for FY 2027. Note: amounts presented in millions (M).

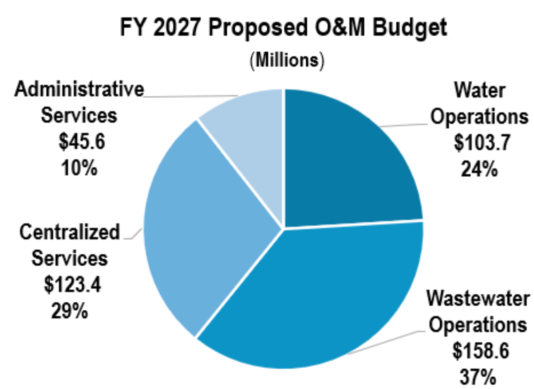
Staffing & Personnel - Overall the staffing plan number of positions (1,352) did not change. Across multiple areas, five apprentices graduated who were promoted to regular team member status filling vacancies in key operational areas. Since not all positions are filled, the "full-time equivalent" count is 1,194 which is a vacancy rate of 12%. Medical plan costs increased an average of 11.5%.

Water Operations – increase of $2.2M (2.1%) Personnel increased ($3.6M) for merit, market adjustments, and skills level progressions are included. Contractual Services decreased ($2.8M) primarily due to the new sludge removal and hauling contract. Chemicals (bulk) are stable due to lower forecast volume of orthophosphate and stabilized market prices. Unallocated reserves ($1.3 M) and other items ($0.1M) also increased. Unallocated reserves are included in the budget to address cost increases or other contingencies throughout the year.

Wastewater Operations – increase of $2.1 M (1.3%) An increase in Contractual Services ($2.3M) is due to transferring the asset maintenance and reliability program for sewer operations from centralized Field Services; boiler operation services; and, a vendor price increase for operating the Biosolids Dryer Facility. Although staffing positions decreased by 10, personnel costs increased ($1.6M) due to merit, market adjustments and skills level progressions. Chemicals decreased significantly ($4.1M) due to reduced forecast volume of chemicals used to control phosphorus and lower market prices. Unallocated reserve increased ($1.8M) and other items increased ($0.5M).

Centralized Services[1] – increase $6.0M (5.1%) Personnel costs increased ($2.4M) due to merit, market adjustments and skills level progressions. The increase in Supplies & Other ($1.4M) is for wireless access points for the water plants to support technology and communication needs. Contractual Services net increase ($0.5M) is due to capital projects for shared facilities, an update to the Water Master Plan, and technology for secure off-site backup services. These increases are offset by the sewer asset maintenance and repair costs transferred to the Wastewater Operations. Unallocated reserve increased ($1.7 M).

Administrative Services[2] – increase of $2.5 M (5.8%) Personnel cost increased ($1.5M) due to merit and market adjustments. Unallocated reserves increased ($0.7M). Contractual services increased ($0.3M) due to legal resources needed to mitigate risk & safeguard the organization as well as an increase in insurance costs.



Questions? Contact the Office of the Chief Financial Officer at cfo@glwater.org

[1] Includes the System Resiliency, Planning Services, Systems Control; Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology; and Security & Integrity/HazMat.

[2] Includes the Board of Directors, Chief Executive Officer, Chief Administrative & Compliance Officer (includes Risk Management & Safety), General Counsel, Public Affairs, Organizational Development, and Financial Services.

Overview In January 2026 the Great Lakes Water Authority (GLWA) presented a proposed budget and charges for the upcoming fiscal year 2027. The purpose of this one-pager is to give context and background as it relates to this proposal.

FY 2027 Proposed Charges The proposed water system average charge increase is 6.83% and the sewer system average charge increase is 5.98%. Despite these increases, GLWA's ten-year average cumulative charge increase, with water at 3.13% and sewer at 2.02%, continues to be well below the consumer price index for water, sewer and trash.

Methodology There are no methodology changes this year that impact how charges are allocated among Member Partner communities.

Across-the-Board Adjustments Nearly every Member Partner received the same charge adjustment. The exceptions were three water Member Partners who had allowable modifications and two sewer Member Partners due to pre-established contract related provisions.

Headline Focus this Year GLWA continues its focus on addressing deferred maintenance through the deployment of advanced technology and strategic asset management. This was a key objective of stakeholders in establishing the regional authority and continues to be a top priority of the Linear System Integrity Program (LISP).

Over 130 (or 16%) of the 800 miles of water transmission main are beyond their useful life - having been placed in service in the 1920s or earlier. The proposed budget supports $7.5 million towards this program – a modest amount compared to the current total estimated costs of comprehensive renewal and replacement over time.

Transparency in the Budget Process Visit glwater.org for publicly available details for the budget, charges, financial plan and capital improvement plan. Member Partners may also visit the Outreach Portal for presentations and information from the Charges Rollout meetings.

Proposed Budget The *water system* budget increase accounts for 5.6% of the 6.83% charge increase. Operating expense increases ($11.1 million) are the result of filling vacant positions in competitive fields such as skilled trades, capital project management, and information technology. Increased funding is also required for field maintenance and information technology costs for cybersecurity and device renewal. For infrastructure projects, related debt service increases $13.1 million. A $3.8 million decrease in forecasted investment earnings, due to declining interest rates, is nearly 1% of the increase. Decreased sales volume also increased in charges.

The *sewer system* budget increase accounts for 5.15% of the 5.98% charge increase. The largest increases are infrastructure related debt service ($13.0 million) and the Improvement & Extension Fund Transfer, a set aside for capital projects ($11.4 million). A $4.1 million decrease in forecasted investment earnings is resulting in 0.78% of the increase. Operating expense increased $1.7 million.

Average System Charge Adjustment Despite these increases, GLWA's ten-year average is well below the rate of inflation over the past ten years. Affordability is at the core of decision-making every day. As stewards of a vital service, daylighting the growing need to address aging pipes is essential to long-term affordability and reliability of services.

Year	Water	Sewer
2018	1.8%	-0.7%
2019	1.8%	0.1%
2020	0.6%	0.8%
2021	3.2%	2.0%
2022	1.5%	-0.6%
2023	3.7%	2.4%
2024	2.75%	2.75%
2025	3.25%	3.0%
2026	5.9%	4.5%
Proposed 2027	6.83%	5.98%
Ten-Year Average	**3.13%**	**2.02%**

MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Water Services** provides for...

FY 2027 Water System Budget Infographic

44.9% OPERATIONS AND MAINTENANCE

44.9¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality around-the-clock, every day of the year.

44.6% DEBT SERVICE

44.6¢ ON THE DOLLAR

Physical improvements to GLWA's regional water system and its assets are financed with debt. Debt service principal and interest are funded monthly.

5.2% REGIONAL SYSTEM LEASE

5.2¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

3.9% REVENUE FINANCED CAPITAL

3.9¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

0.6% CLOSED PENSION

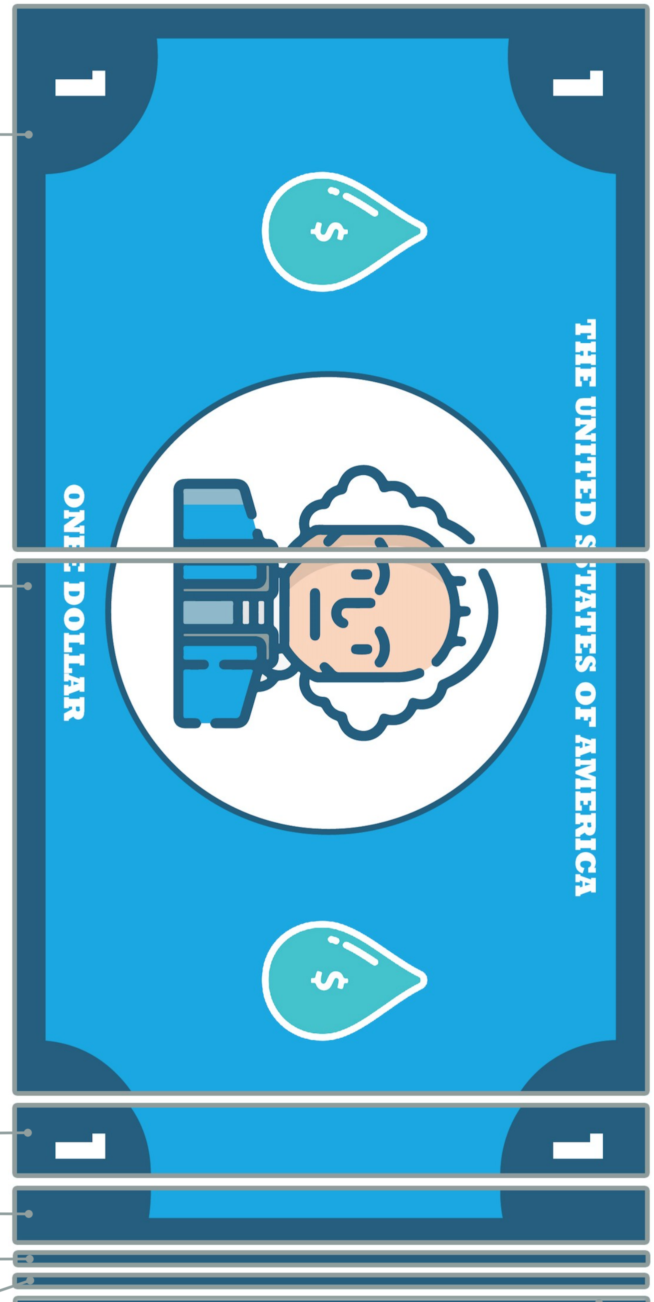
0.6¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the water system before GLWA was formed. Over time, the annual payment will decrease.

0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.



0.3% TRUST FUND WORKING CAPITAL & OTHER

0.3¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

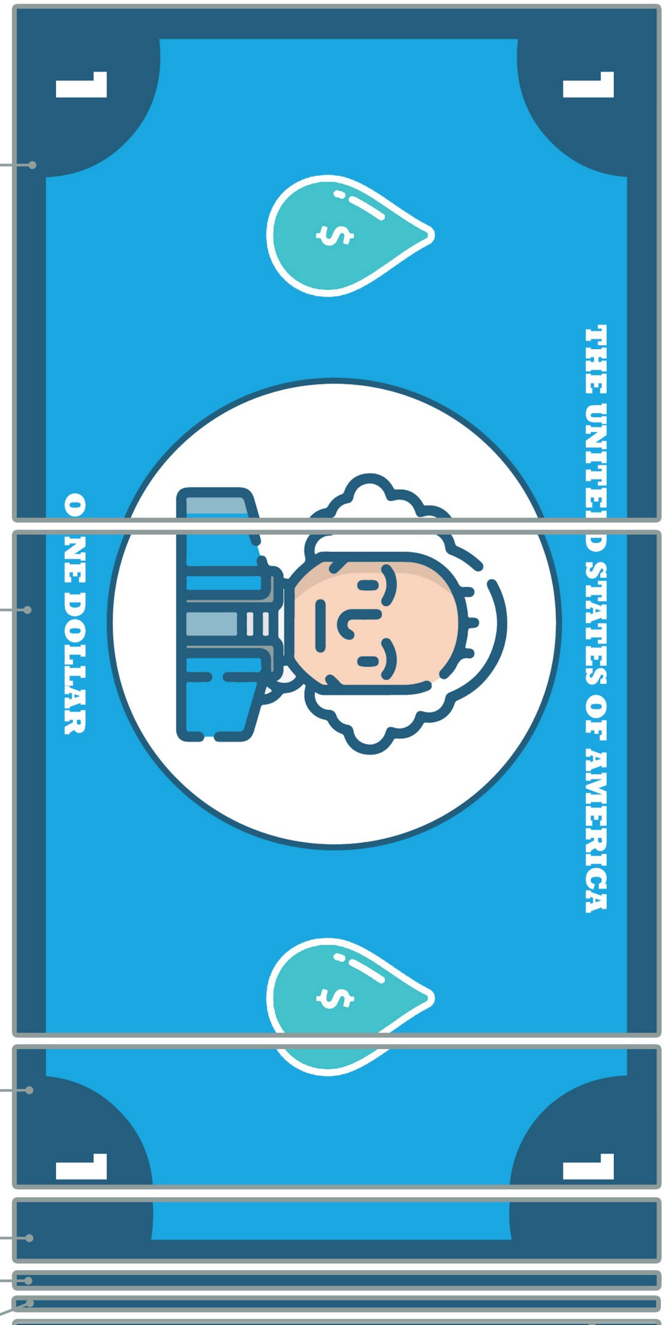
Source: Proposed FY 2027 Budget as of January 26, 2026

GLWA
Great Lakes Water Authority

MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for **Wastewater Services** provides for...

FY 2027 Wastewater System Budget Infographic



41.5% OPERATIONS AND MAINTENANCE

41.5¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver effective and efficient wastewater services around-the-clock, every day of the year.

40.9% DEBT SERVICE

40.9¢ ON THE DOLLAR

Physical improvements to GLWA's regional wastewater system and its assets are financed with debt. Debt service principal and interest are funded monthly.

11.1% REVENUE FINANCED CAPITAL

11.1¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

4.8% REGIONAL SYSTEM LEASE

4.8¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional wastewater system. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

0.9% CLOSED PENSION

0.9¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the wastewater system before GLWA was formed. Over time, the annual payment will decrease.

0.3% TRUST FUND WORKING CAPITAL & OTHER

0.3¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.

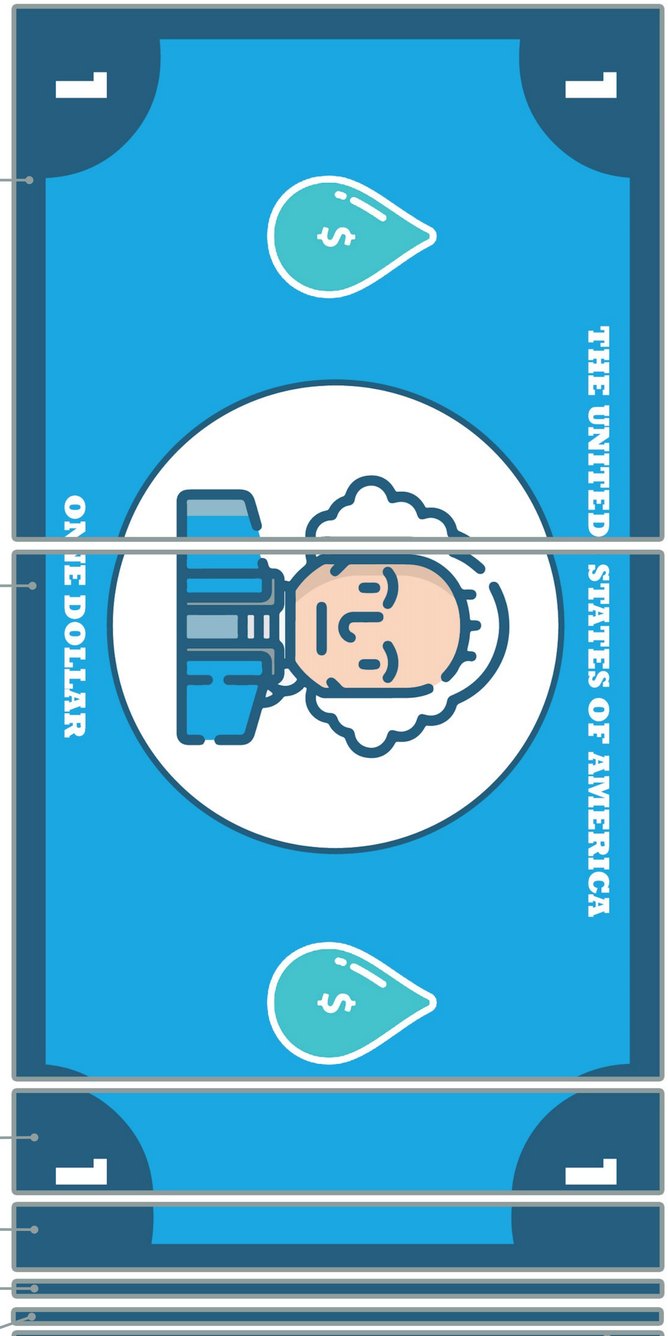
Source: Proposed FY 2027 Budget as of January 26, 2026

GLWA
Great Lakes Water Authority

MAKING SENSE OF YOUR DOLLARS

Every dollar paid to GLWA for combined **Water and Wastewater Services** provides for...

FY 2027 Water and Wastewater Combined Budget Infographic



43.0% OPERATIONS AND MAINTENANCE

43.0¢ ON THE DOLLAR

The cost for people, utilities, chemicals, and services to deliver water of unquestionable quality and effective and efficient wastewater services around-the-clock, every day of the year.

42.5% DEBT SERVICE

42.5¢ ON THE DOLLAR

Physical improvements to GLWA's regional water and wastewater system assets are financed with debt. Debt service principal and interest are funded monthly.

8.0% REVENUE FINANCED CAPITAL

8.0¢ ON THE DOLLAR

To lower the debt burden, GLWA sets aside money each year from revenues to pay for capital improvements in future years. This pay-as-you-go approach eliminates the need to pay interest on debt in future years and improves financial resiliency.

5.0% REGIONAL SYSTEM LEASE

5.0¢ ON THE DOLLAR

This money goes to the Detroit Water and Sewerage Department (DWSD) to pay for GLWA's lease of the regional water and wastewater systems. DWSD uses those funds for improvements to the local system and to pay debt related to capital improvements.

0.8% CLOSED PENSION

0.8¢ ON THE DOLLAR

GLWA inherited a portion of the city of Detroit's pension plan expense for employees and retirees that maintained the regional system before GLWA was formed. Over time, the annual payment will decrease.

0.5% WRAP (WATER RESIDENTIAL ASSISTANCE PROGRAM)

0.5¢ ON THE DOLLAR

Half a percent of GLWA's revenue goes straight to funding WRAP, making it the only sustainably-funded assistance program in the country. WRAP provides not only financial assistance, but also conservation education and minor plumbing repairs and replacements.

0.2% TRUST FUND WORKING CAPITAL & OTHER

0.2¢ ON THE DOLLAR

The amount required to maintain sufficient liquidity in the Master Bond Ordinance Trust Receiving and other funds, and the Extraordinary Repair & Replacement Reserve Fund.

Source: Proposed FY 2027 Budget as of January 26, 2026

GLWA
Great Lakes Water Authority

/glwater /glwa /glwatermi
/greatlakeswaterauthority glwater.org

WHY DOES GLWA NEED TO RAISE ITS CHARGES?

GLWA
Great Lakes Water Authority

The Great Lakes Water Authority's (GLWA) proposed water and wastewater system charges for Fiscal Year 2027, which begins on July 1, 2026, reflect the continued need to responsibly invest in an aging regional infrastructure system that serves approximately 40 percent of Michigan's population.

Requests for budget and charge increases are never presented lightly. Our increases are based on extensive financial and asset management planning and strategy development, as well as extensive discussions with our customer communities and Board of Directors.

Internal cost controls and a focus on overall affordability underly all our decision making because we understand the actions we take now will have a great impact on future generations.

There are three key drivers behind our request to increase water and wastewater system charges (6.83% and 5.98%, respectively):

1. Critical Need for Investment in Aging Infrastructure

The water system serving our region was built nearly a century ago. Pipes and mains installed in the 1920s when Calvin Coolidge was president were never intended to last this long and are under growing strain. In fact, more than 220 miles of pipe, or about a quarter of our system, now require replacement or decommissioning. The longer we wait to do this work the more expensive it gets.

2. Increases to Operating Expenses

Inflation continues to significantly impact the cost of many operating expenses, including the cost of utilities (electric and gas), chemicals for water and wastewater treatment, personnel, and continued investment in technology for business and operating systems and contractual services (such as emergency crews and suppliers that help us respond to watermain breaks).

3. Decreased Opportunity to Utilize Investment Earnings to Offset Charges

Because of U.S. Federal Reserve rate cuts, earnings from GLWA's investment portfolio will decrease by $8 million ($4 million applied to the water system and $4 million applied to the sewer system). This means that GLWA does not have the flexibility it has had in previous years to lessen the impact of the charge increase by applying the earnings. This decrease in investment earnings has impacted water utilities across the United States.

Despite the proposed FY 2027 increases, as well as absorbing several years of double digit increases in chemical, utility, construction and other costs, GLWA's 10-year average system charge adjustment for the water system is slightly above 3% and slightly above 2% for the sewer system.

A public hearing on the proposed budget and charge increases will be held at 1:00 p.m. on Wednesday, February 25, 2026. For more information on the meeting please visit *www.glwater.org*.

GLWA

Great Lakes Water Authority

Section 2

Core Financial Plan Schedules

Core Financial Plan Schedules

The Great Lakes Water Authority budget is presented for the two major funds, water supply and sewage disposal, in these Core Financial Plan schedules. The schedules present the Biennial Budget for FY 2027 and FY 2028 within the context of a five-year financial plan for FY 2027 through FY 2031.

The following schedules are included in this section:

Revenue Requirement

- Schedule 1 – Water System Revenue Requirement
- Schedule 2 – Sewer System Revenue Requirement
- Schedule 3 – Water and Sewer Systems Combined Revenue Requirement

Capital Financing

- Schedule 4 – Improvement & Extension Funds
- Schedule 5 – Construction Funds

Operations & Maintenance Expense Budget

- Schedule 6 – O&M - Water Operations Fund
- Schedule 7 – O&M – Sewer Operations Fund
- Schedule 8 – O&M – Water & Sewer Operations Combined
- Schedule 9 – O&M – By Service Area

Master Bond Ordinance Schedules

- Schedule 10 – Flow of Funds and Debt Service Coverage Consistent with the Master Bond Ordinance

Variance columns in this Section 2 are based on a comparison to the original Adopted FY 2026 budget. The original adopted budget is what is used to compute charges for the fiscal year. Therefore, the variance shown is based on changes since the 2026 charges were calculated.

Revenue Requirement - Schedules 1 – 3

These schedules summarize all of the cost the Authority incurs to operate the water and wastewater systems. It includes the Authority's direct costs of operations and maintenance plus its "allocable" share of debt and other long-term liabilities. These amounts establish the basis for the revenue requirement and customer charges.

Schedule 1 – Water System Revenue Requirement - Biennial Budget

Water System Revenue Requirement	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget	FY 2028 Dollar Variance	FY 2028 Percent Variance
Revenues									
Revenues from Charges									
Wholesale Customers	$ 343,199,317	$ 365,646,100	$ 365,646,100	**$ 387,988,500**	**$ 22,342,400**	**6.1%**	$ 415,009,600	$ 27,021,100	7.0%
Charges to Local System	27,094,800	30,028,800	30,028,800	**33,603,600**	**3,574,800**	**11.9%**	37,288,300	3,684,700	11.0%
Total Revenue from Charges	370,294,117	395,674,900	395,674,900	**421,592,100**	**25,917,200**	**6.6%**	452,297,900	30,705,800	7.3%
Investment Earnings									
Unrestricted	5,852,555	4,654,800	4,404,900	**3,171,000**	**(1,483,800)**	**-31.9%**	3,067,400	(103,600)	-3.3%
I&E Fund Unrestricted	6,257,059	4,868,800	4,525,400	**3,410,900**	**(1,457,900)**	**-29.9%**	3,096,900	(314,000)	-9.2%
Restricted for Debt Service	4,346,719	3,260,100	2,834,800	**2,175,500**	**(1,084,600)**	**-33.3%**	2,257,700	82,200	3.8%
Total Investment Earnings	16,456,333	12,783,700	11,765,100	**8,757,400**	**(4,026,300)**	**-31.5%**	8,422,000	(335,400)	-3.8%
Other Operating Revenue	503,708	302,800	302,800	**495,400**	**192,600**	**63.6%**	300,000	(195,400)	-39.4%
Total Revenues	**$ 387,254,158**	**$ 408,761,400**	**$ 407,742,800**	**$ 430,844,900**	**$ 22,083,500**	**5.4%**	**$ 461,019,900**	**$ 30,175,000**	**7.0%**
Revenue Requirements									
Operations & Maintenance Expense	$ 175,405,631	$ 182,456,000	$ 183,909,400	**$ 193,563,400**	**$ 11,107,400**	**6.1%**	$ 200,736,600	$ 7,173,200	3.7%
Debt Service	162,019,744	179,082,200	177,686,400	**192,202,900**	**13,120,700**	**7.3%**	212,359,600	20,156,700	10.5%
General Retirement System Pension	1,653,300	2,730,800	2,730,800	**2,559,000**	**(171,800)**	**-6.3%**	2,415,300	(143,700)	-5.6%
Water Residential Assistance Program Contribution	1,876,500	1,970,000	1,970,000	**2,099,900**	**129,900**	**6.6%**	2,251,700	151,800	7.2%
Extraordinary Repair & Replacement Deposit	2,144,000	320,000	320,000	**104,800**	**(215,200)**	**-67.3%**	614,300	509,500	486.2%
Regional System Lease	22,500,000	22,500,000	22,500,000	**22,500,000**	**-**	**0.0%**	22,500,000	-	0.0%
Working Capital Requirement	-	600,000	-	**1,100,000**	**500,000**	**83.3%**	5,900,000	4,800,000	436.4%
Improvement & Extension Fund Transfer Pending	8,315,700	19,102,400	18,626,200	**16,714,900**	**(2,387,500)**	**-12.5%**	14,242,400	(2,472,500)	-14.8%
Total Water System Revenue Requirements	**$ 373,914,875**	**$ 408,761,400**	**$ 407,742,800**	**$ 430,844,900**	**$ 22,083,500**	**5.4%**	**$ 461,019,900**	**$ 30,175,000**	**7.0%**

The proposed FY 2027 water revenue requirements of $430.8 million represents a budget (annual revenue requirement) increase of 5.4% from the prior year. Although the budget increase is 5.4%, due to a decrease in investment earnings, the revenue from charges increase is 6.6%.

Schedule 1 – Water System Revenue Requirement – Five-Year Financial Plan

Water System Revenue Requirement	Actual FY 2025	Adopted Budget FY 2026	Projected FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Revenues								
Revenues from Charges								
Wholesale Customers	$ 343,199,317	$ 365,646,100	$ 365,646,100	**$ 387,988,500**	$ 415,009,600	$ 438,382,700	$ 462,399,100	$ 489,771,400
Charges to Local System	27,094,800	30,028,800	30,028,800	**33,603,600**	37,288,300	40,725,600	44,257,500	48,282,900
Total Revenue from Charges	370,294,117	395,674,900	395,674,900	**421,592,100**	452,297,900	479,108,300	506,656,600	538,054,300
Investment Earnings								
Unrestricted	5,852,555	4,654,800	4,404,900	**3,171,000**	3,067,400	3,462,500	4,103,700	4,043,300
I&E Fund Unrestricted	6,257,059	4,868,800	4,525,400	**3,410,900**	3,096,900	3,190,200	3,751,500	3,570,200
Restricted for Debt Service	4,346,719	3,260,100	2,834,800	**2,175,500**	2,257,700	2,635,100	3,215,900	3,156,800
Total Investment Earnings	16,456,333	12,783,700	11,765,100	**8,757,400**	8,422,000	9,287,800	11,071,100	10,770,300
Other Operating Revenue	503,708	302,800	302,800	**495,400**	300,000	300,000	300,000	300,000
Total Revenues	**$ 387,254,158**	**$ 408,761,400**	**$ 407,742,800**	**$ 430,844,900**	**$ 461,019,900**	**$ 488,696,100**	**$ 518,027,700**	**$ 549,124,600**
Revenue Requirements								
Operations & Maintenance Expense	$ 175,405,631	$ 182,456,000	$ 183,909,400	**$ 193,563,400**	$ 200,736,600	$ 206,578,400	$ 210,149,100	$ 215,194,500
Debt Service	162,019,744	179,082,200	177,686,400	**192,202,900**	212,359,600	226,833,700	240,238,500	244,989,500
General Retirement System Pension	1,653,300	2,730,800	2,730,800	**2,559,000**	2,415,300	2,384,200	2,353,100	2,322,000
Water Residential Assistance Program Contribution	1,876,500	1,970,000	1,970,000	**2,099,900**	2,251,700	2,385,100	2,522,200	2,678,400
Extraordinary Repair & Replacement Deposit	2,144,000	320,000	320,000	**104,800**	614,300	331,800	-	-
Regional System Lease	22,500,000	22,500,000	22,500,000	**22,500,000**	22,500,000	22,500,000	22,500,000	22,500,000
Working Capital Requirement	-	600,000	-	**1,100,000**	5,900,000	5,100,000	5,100,000	3,700,000
Improvement & Extension Fund Transfer Pending	8,315,700	19,102,400	18,626,200	**16,714,900**	14,242,400	22,582,900	35,164,800	57,740,200
Total Water System Revenue Requirements	**$ 373,914,875**	**$ 408,761,400**	**$ 407,742,800**	**$ 430,844,900**	**$ 461,019,900**	**$ 488,696,100**	**$ 518,027,700**	**$ 549,124,600**
Change in Annual Revenue Requirement				*5.4%*	*7.0%*	*6.0%*	*6.0%*	*6.0%*

The prior year water system five-year plan projected an annual 6.0% increase in the revenue requirement after FY 2026. Due to lower investment earnings projected for FY 2027, the increase was adjusted down to 5.4% to lower the impact on charges to member partners.

Schedule 2 – Sewer System Revenue Requirement - Biennial Budget

Sewer System Revenue Requirement	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget	FY 2028 Dollar Variance	FY 2028 Percent Variance
Revenues									
Revenues from Charges									
Wholesale Customers	$ 287,690,760	$ 300,316,800	$ 300,316,800	**$ 317,383,200**	**$ 17,066,400**	**5.7%**	$ 333,895,900	$ 16,512,700	5.2%
Charges to Local System	205,924,800	215,324,400	215,324,400	**229,070,400**	**13,746,000**	**6.4%**	240,513,000	11,442,600	5.0%
Industrial Waste Control Charges	8,849,415	9,150,300	9,150,300	**9,673,600**	**523,300**	**5.7%**	10,168,500	494,900	5.1%
Pollutant Surcharges	4,583,986	5,112,700	5,112,700	**5,198,600**	**85,900**	**1.7%**	5,464,500	265,900	5.1%
Total Revenue from Charges	507,048,961	529,904,200	529,904,200	**561,325,800**	**31,421,600**	**5.9%**	590,041,900	28,716,100	5.1%
Investment Earnings									
Unrestricted	10,167,329	5,087,300	5,513,700	**3,969,200**	**(1,118,100)**	**-22.0%**	3,839,400	(129,800)	-3.3%
I&E Fund Unrestricted	6,347,085	5,451,500	5,319,600	**3,985,100**	**(1,466,400)**	**-26.9%**	4,032,400	47,300	1.2%
Restricted for Debt Service	5,128,850	4,076,400	3,239,900	**2,512,100**	**(1,564,300)**	**-38.4%**	2,501,200	(10,900)	-0.4%
Total Investment Earnings	21,643,264	14,615,200	14,073,200	**10,466,400**	**(4,148,800)**	**-28.4%**	10,373,000	(93,400)	-0.9%
Other Operating Revenue	685,291	442,600	442,600	**437,500**	**(5,100)**	**-1.2%**	450,000	12,500	2.9%
Total Revenues	**$ 529,377,516**	**$ 544,962,000**	**$ 544,420,000**	**$ 572,229,700**	**$ 27,267,700**	**5.0%**	**$ 600,864,900**	**$ 28,635,200**	**5.0%**
Revenue Requirements									
Operations & Maintenance Expense	$ 229,753,981	$ 236,098,700	$ 237,552,000	**$ 237,763,400**	**$ 1,664,700**	**0.7%**	$ 248,410,600	$ 10,647,200	4.5%
Debt Service	217,295,589	220,884,500	216,273,800	**233,854,700**	**12,970,200**	**5.9%**	242,444,800	8,590,100	3.7%
General Retirement System Pension	3,718,800	5,632,800	5,632,800	**5,246,300**	**(386,500)**	**-6.9%**	4,923,200	(323,100)	-6.2%
Water Residential Assistance Program Contribution	2,541,501	2,638,500	2,638,500	**2,794,800**	**156,300**	**5.9%**	2,937,800	143,000	5.1%
Extraordinary Repair & Replacement Deposit	345,000	-	-	**-**	**-**	**0.0%**	-	-	0.0%
Regional System Lease	27,500,000	27,500,000	27,500,000	**27,500,000**	**-**	**0.0%**	27,500,000	-	0.0%
Working Capital Requirement	-	-	-	**1,500,000**	**1,500,000**	**100.0%**	4,700,000	3,200,000	213.3%
Improvement & Extension Fund Transfer Pending	42,093,700	52,207,500	54,822,900	**63,570,500**	**11,363,000**	**21.8%**	69,948,500	6,378,000	10.0%
Total Sewer System Revenue Requirements	**$ 523,248,571**	**$ 544,962,000**	**$ 544,420,000**	**$ 572,229,700**	**$ 27,267,700**	**5.0%**	**$ 600,864,900**	**$ 28,635,200**	**5.0%**

The proposed FY 2027 sewer revenue requirement of $572.2 million represents a budget (annual revenue requirement) increase of 5.0% from the prior year. The revenue from charges increase is 5.9% due to a decrease in investment earnings.

Schedule 2 – Sewer System Revenue Requirement – Five-Year Financial Plan

Sewer System Revenue Requirement	Actual FY 2025	Adopted Budget FY 2026	Projected FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Revenues								
Revenues from Charges								
Wholesale Customers	$ 287,690,760	$ 300,316,800	$ 300,316,800	**$ 317,383,200**	$ 333,895,900	$ 350,056,300	$ 366,263,500	$ 382,713,600
Charges to Local System	205,924,800	215,324,400	215,324,400	**229,070,400**	240,513,000	252,620,600	264,763,400	277,088,100
Industrial Waste Control Charges	8,849,415	9,150,300	9,150,300	**9,673,600**	10,168,500	10,668,900	11,170,800	11,680,200
Pollutant Surcharges	4,583,986	5,112,700	5,112,700	**5,198,600**	5,464,500	5,733,400	6,003,100	6,276,800
Total Revenue from Charges	507,048,961	529,904,200	529,904,200	**561,325,800**	590,041,900	619,079,200	648,200,800	677,758,700
Investment Earnings								
Unrestricted	10,167,329	5,087,300	5,513,700	**3,969,200**	3,839,400	4,254,900	5,004,200	4,904,400
I&E Fund Unrestricted	6,347,085	5,451,500	5,319,600	**3,985,100**	4,032,400	4,324,300	5,465,200	5,930,900
Restricted for Debt Service	5,128,850	4,076,400	3,239,900	**2,512,100**	2,501,200	2,822,000	3,370,800	3,275,600
Total Investment Earnings	21,643,264	14,615,200	14,073,200	**10,466,400**	10,373,000	11,401,200	13,840,200	14,110,900
Other Operating Revenue	685,291	442,600	442,600	**437,500**	450,000	450,000	450,000	450,000
Total Revenues	**$ 529,377,516**	**$ 544,962,000**	**$ 544,420,000**	**$ 572,229,700**	**$ 600,864,900**	**$ 630,930,400**	**$ 662,491,000**	**$ 692,319,600**
Revenue Requirements								
Operations & Maintenance Expense	$229,753,981	$236,098,700	$237,552,000	**$ 237,763,400**	$248,410,600	$258,225,200	$266,566,400	$271,219,700
Debt Service	217,295,589	220,884,500	216,273,800	**233,854,700**	242,444,800	252,042,200	257,721,800	261,596,400
General Retirement System Pension	3,718,800	5,632,800	5,632,800	**5,246,300**	4,923,200	4,853,200	4,783,200	4,713,300
Water Residential Assistance Program Contribution	2,541,501	2,638,500	2,638,500	**2,794,800**	2,937,800	3,082,200	3,227,100	3,374,200
Extraordinary Repair & Replacement Deposit	345,000	-	-	**-**	-	-	378,900	-
Regional System Lease	27,500,000	27,500,000	27,500,000	**27,500,000**	27,500,000	27,500,000	27,500,000	27,500,000
Working Capital Requirement	-	-	-	**1,500,000**	4,700,000	5,200,000	4,800,000	4,200,000
Improvement & Extension Fund Transfer Pending	42,093,700	52,207,500	54,822,900	**63,570,500**	69,948,500	80,027,600	97,513,600	119,716,000
Total Sewer System Revenue Requirements	**$ 523,248,571**	**$ 544,962,000**	**$ 544,420,000**	**$ 572,229,700**	**$ 600,864,900**	**$ 630,930,400**	**$ 662,491,000**	**$ 692,319,600**
Change in Annual Revenue Requirement				*5.00%*	*5.0%*	*5.0%*	*5.0%*	*4.5%*

The sewer system five-year plan provides for an annual 5.0% increase in the revenue requirement for FY 2027 through FY 2030 and a 4.5% increase in FY 2031.

Schedule 3 – Water and Sewer Systems Combined Revenue Requirement - Biennial Budget

Water & Sewer System Combined Revenue Requirement	FY 2025 Actual	FY 2026 Adopted Budget	FY 2026 Projected	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget	FY 2028 Dollar Variance	FY 2028 Percent Variance
Revenues									
Revenues from Charges									
Wholesale Customers	$ 630,890,077	$ 665,962,900	$ 665,962,900	**$ 705,371,700**	**$ 39,408,800**	**5.9%**	$ 748,905,500	$ 43,533,800	6.2%
Charges to Local System	233,019,600	245,353,200	245,353,200	**262,674,000**	**17,320,800**	**7.1%**	277,801,300	15,127,300	5.8%
Industrial Waste Control Charges	8,849,415	9,150,300	9,150,300	**9,673,600**	**523,300**	**5.7%**	10,168,500	494,900	5.1%
Pollutant Surcharges	4,583,986	5,112,700	5,112,700	**5,198,600**	**85,900**	**1.7%**	5,464,500	265,900	5.1%
Total Revenue from Charges	877,343,078	925,579,100	925,579,100	**982,917,900**	**57,338,800**	**6.2%**	1,042,339,800	59,421,900	6.0%
Investment Earnings									
Unrestricted	16,019,884	9,742,100	9,918,600	**7,140,200**	**(2,601,900)**	**-26.7%**	6,906,800	(233,400)	-3.3%
I&E Fund Unrestricted	12,604,144	10,320,300	9,845,000	**7,396,000**	**(2,924,300)**	**-28.3%**	7,129,300	(266,700)	-3.6%
Restricted for Debt Service	9,475,569	7,336,500	6,074,700	**4,687,600**	**(2,648,900)**	**-36.1%**	4,758,900	71,300	1.5%
Total Investment Earnings	38,099,597	27,398,900	25,838,300	**19,223,800**	**(8,175,100)**	**-29.8%**	18,795,000	(428,800)	-2.2%
Other Operating Revenue	1,188,999	745,400	745,400	**932,900**	**187,500**	**25.2%**	750,000	(182,900)	-19.6%
Total Revenues	**$ 916,631,674**	**$ 953,723,400**	**$ 952,162,800**	**$1,003,074,600**	**$ 49,351,200**	**5.2%**	**$1,061,884,800**	**$ 58,810,200**	**5.9%**
Revenue Requirements									
Operations & Maintenance Expense	$405,159,612	$418,554,700	$421,461,400	**$ 431,326,800**	**$12,772,100**	**3.1%**	$449,147,200	$17,820,400	4.1%
Debt Service	379,315,333	399,966,700	393,960,200	**426,057,600**	**26,090,900**	**6.5%**	454,804,400	28,746,800	6.7%
General Retirement System Pension	5,372,100	8,363,600	8,363,600	**7,805,300**	**(558,300)**	**-6.7%**	7,338,500	(466,800)	-6.0%
Water Residential Assistance Program Contribution	4,418,001	4,608,500	4,608,500	**4,894,700**	**286,200**	**6.2%**	5,189,500	294,800	6.0%
Extraordinary Repair & Replacement Deposit	2,489,000	320,000	320,000	**104,800**	**(215,200)**	**-67.3%**	614,300	509,500	486.2%
Regional System Lease	50,000,000	50,000,000	50,000,000	**50,000,000**	**-**	**0.0%**	50,000,000	-	0.0%
Working Capital Requirement	-	600,000	-	**2,600,000**	**2,000,000**	**333.3%**	10,600,000	8,000,000	307.7%
Improvement & Extension Fund Transfer Pending	50,409,400	71,309,900	73,449,100	**80,285,400**	**8,975,500**	**12.6%**	84,190,900	3,905,500	4.9%
Total Water & Sewer System Combined Revenue Requirements	**$ 897,163,446**	**$ 953,723,400**	**$ 952,162,800**	**$1,003,074,600**	**$ 49,351,200**	**5.2%**	**$1,061,884,800**	**$ 58,810,200**	**5.9%**

The Water and Sewer Systems Combined results in an aggregate 5.2% increase in total revenues system wide for FY 2027.

Schedule 3 – Water and Sewer Systems Combined Revenue Requirement – Five-Year Financial Plan

Water & Sewer System Combined Revenue Requirement	Actual FY 2025	Adopted Budget FY 2026	Projected FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Revenues								
Revenues from Charges								
Wholesale Customers	$ 630,890,077	$ 665,962,900	$ 665,962,900	**$ 705,371,700**	$ 748,905,500	$ 788,439,000	$ 828,662,600	$ 872,485,000
Charges to Local System	233,019,600	245,353,200	245,353,200	**262,674,000**	277,801,300	293,346,200	309,020,900	325,371,000
Industrial Waste Control Charges	8,849,415	9,150,300	9,150,300	**9,673,600**	10,168,500	10,668,900	11,170,800	11,680,200
Pollutant Surcharges	4,583,986	5,112,700	5,112,700	**5,198,600**	5,464,500	5,733,400	6,003,100	6,276,800
Total Revenue from Charges	877,343,078	925,579,100	925,579,100	**982,917,900**	1,042,339,800	1,098,187,500	1,154,857,400	1,215,813,000
Investment Earnings								
Unrestricted	16,019,884	9,742,100	9,918,600	**7,140,200**	6,906,800	7,717,400	9,107,900	8,947,700
I&E Fund Unrestricted	12,604,144	10,320,300	9,845,000	**7,396,000**	7,129,300	7,514,500	9,216,700	9,501,100
Restricted for Debt Service	9,475,569	7,336,500	6,074,700	**4,687,600**	4,758,900	5,457,100	6,586,700	6,432,400
Total Investment Earnings	38,099,597	27,398,900	25,838,300	**19,223,800**	18,795,000	20,689,000	24,911,300	24,881,200
Other Operating Revenue	1,188,999	745,400	745,400	**932,900**	750,000	750,000	750,000	750,000
Total Revenues	**$ 916,631,674**	**$ 953,723,400**	**$ 952,162,800**	**$1,003,074,600**	**$1,061,884,800**	**$1,119,626,500**	**$1,180,518,700**	**$1,241,444,200**
Revenue Requirements								
Operations & Maintenance Expense	$405,159,612	$418,554,700	$421,461,400	**$431,326,800**	$449,147,200	$464,803,600	$476,715,500	$486,414,200
Debt Service	379,315,333	399,966,700	393,960,200	**426,057,600**	454,804,400	478,875,900	497,960,300	506,585,900
General Retirement System Pension	5,372,100	8,363,600	8,363,600	**7,805,300**	7,338,500	7,237,400	7,136,300	7,035,300
Water Residential Assistance Program Contribution	4,418,001	4,608,500	4,608,500	**4,894,700**	5,189,500	5,467,300	5,749,300	6,052,600
Extraordinary Repair & Replacement Deposit	2,489,000	320,000	320,000	**104,800**	614,300	331,800	378,900	-
Regional System Lease	50,000,000	50,000,000	50,000,000	**50,000,000**	50,000,000	50,000,000	50,000,000	50,000,000
Working Capital Requirement	-	600,000	-	**2,600,000**	10,600,000	10,300,000	9,900,000	7,900,000
Improvement & Extension Fund Transfer Pending	50,409,400	71,309,900	73,449,100	**80,285,400**	84,190,900	102,610,500	132,678,400	177,456,200
Total Water & Sewer System Combined Revenue Requirements	**$ 897,163,446**	**$ 953,723,400**	**$ 952,162,800**	**$1,003,074,600**	**$1,061,884,800**	**$1,119,626,500**	**$1,180,518,700**	**$1,241,444,200**
Change in Annual Revenue Requirement				*5.2%*	*5.9%*	*5.4%*	*5.4%*	*5.2%*

The prior year water and sewer systems combined five-year plan projected an annual 5.4% increase in the revenue requirement for all years after FY 2026. Those projected increases have changed slightly for FY 2027 and FY 2028 from the prior year.

Capital Financing – Schedules 4 - 5

The GLWA has an Improvement & Extension Fund (I&E) and a Construction Fund for each system. Inflows to the I&E Fund represent amounts budgeted for future capital improvements in accordance with the long-term financial plan. Building the I&E Fund over time is a key financial objective of GLWA to reduce reliance on revenue bonds. Inflows to the Construction Funds include proceeds from the sale of bonds, SRF loans and investment income on those funds. Inflows are also made to the Construction Funds from the I&E Funds when the determination is made to use PAYGO for some of the capital expenditures. Outflows are for the costs of constructing capital assets.

The tables in this section are presented on the budget basis. Data in the FY 2025 Actual column is from the ACFR for the fiscal year ending June 30, 2025. The ACFR schedules for the Improvement & Extension Funds and the Construction Funds may include additional data that represent non-budgeted inflows and outflows. That additional data is not presented in Schedules 4-5.

Improvement & Extension Funds - Schedule 4

The tables on the following pages present the FY 2027 and FY 2028 biennial budgets and five-year financial plan for the separate Improvement & Extension (I&E) Funds for the water and sewer systems. See also Section 3 – Capital Program and Debt.

Inflows to the I&E Fund

- Revenue transfers in from water operations are in accordance with the Master Bond Ordinance and Financial Plan
- Interest earned on investments

Outflows from the I&E Fund

- Interest earned on the I&E funds is returned to the flow of funds monthly as required by the Master Bond Ordinance
- Capital outlay funding (generally non-construction capital outlay such as machinery, equipment, vehicles, and systems)
- Transfers to the Construction Fund for capital improvement plan projects to reduce the need of new revenue bonds and/or flexibility in timing for new bonds (PAYGO)

Schedule 4A – Water Improvement & Extension Fund – Five-Year Financial Plan

	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
Water Improvement & Extension Fund	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Inflows								
Transfers in from Water Operations Fund								
Revenue Transfers	$ 8,315,700	$ 19,102,400	$ 18,626,200	**$ 16,714,900**	$ 14,242,400	$ 22,582,900	$ 35,164,800	$ 57,740,200
Investment Earnings	6,257,059	4,868,800	4,525,400	**3,410,900**	3,096,900	3,190,200	3,751,500	3,570,200
Total Inflows	**14,572,759**	**23,971,200**	**23,151,600**	**20,125,800**	**17,339,300**	**25,773,100**	**38,916,300**	**61,310,400**
Outflows								
Capital outlay	8,883,041	11,691,400	11,691,400	**24,976,300**	21,012,200	18,706,900	16,540,900	16,180,400
Transfers out to Water Operations Fund								
Investment Earnings	4,803,139	4,868,800	4,525,400	**3,410,900**	3,096,900	3,190,200	3,751,500	3,570,200
Transfer out to Water Construction Fund								
Revenue Financed Capital	171,562	9,250,000	-	-	-	-	19,000,000	12,750,000
Total Outflows	**13,857,742**	**25,810,200**	**16,216,800**	**28,387,200**	**24,109,100**	**21,897,100**	**39,292,400**	**32,500,600**
Net Inflow (Outflow) - Use of I&E Funds	**$ 715,017**	**$ (1,839,000)**	**6,934,800**	**(8,261,400)**	**(6,769,800)**	**3,876,000**	**(376,100)**	**28,809,800**
Beginning Net Position			147,797,600	154,732,400	146,471,000	139,701,200	143,577,200	143,201,100
Projected Ending Net Position			$ 154,732,400	$ 146,471,000	$ 139,701,200	$ 143,577,200	$ 143,201,100	$ 172,010,900

Schedule 4B – Sewer Improvement & Extension Fund - Five-Year Financial Plan

	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
Sewer Improvement & Extension Fund	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Inflows								
Transfers in from Sewer Operations Fund								
Revenue Transfers	$ 42,093,700	$ 52,207,500	$ 54,822,900	**$ 63,570,500**	$ 69,948,500	$ 80,027,600	$ 97,513,600	$ 119,716,000
Transfer in from Sewer Construction Fund								
Working capital adjustment (1)	1,942,016	-	-	**-**	-	-	-	-
Investment Earnings	6,347,085	5,451,500	5,319,600	**3,985,100**	4,032,400	4,324,300	5,465,200	5,930,900
Total Inflows	**50,382,801**	**57,659,000**	**60,142,500**	**67,555,600**	**73,980,900**	**84,351,900**	**102,978,800**	**125,646,900**
Outflows								
Capital outlay	9,038,304	11,779,500	11,779,500	**15,431,100**	15,322,600	13,268,000	13,372,300	12,941,300
Transfers out to Sewer Operations Fund								
Investment Earnings	4,794,375	5,451,500	5,319,600	**3,985,100**	4,032,400	4,324,300	5,465,200	5,930,900
Transfer out to Sewer Construction Fund								
Revenue Financed Capital	955,262	26,250,000	36,000,000	**38,250,000**	56,000,000	47,000,000	55,500,000	72,000,000
Total Outflows	**14,787,941**	**43,481,000**	**53,099,100**	**57,666,200**	**75,355,000**	**64,592,300**	**74,337,500**	**90,872,200**
Net Inflow (Outflow) - Use of I&E Funds	**$ 35,594,860**	**$ 14,178,000**	**7,043,400**	**9,889,400**	**(1,374,100)**	**19,759,600**	**28,641,300**	**34,774,700**
Beginning Net Position			173,729,100	180,772,500	190,661,900	189,287,800	209,047,400	237,688,700
Projected Ending Net Position			$ 180,772,500	$ 190,661,900	$ 189,287,800	$ 209,047,400	$ 237,688,700	$ 272,463,400

(1) *The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund in FY 2025 for expenditures which qualified for grants that were originally paid for with I&E funds.*

Construction Funds - Schedule 5

The tables below present the FY 2027 and FY 2028 biennial budgets and five-year financial plan for the separate Construction Funds for the water and sewage disposal systems. See also Section 3 – Capital Program and Debt.

Inflows to the Construction Fund

- Transfers from the Improvement & Extension Fund for capital improvement plan projects and reduction of new revenue bonds
- Issuance of new revenue bonds
- State Revolving Fund (SRF) loans
- Grants and Capital Contributions
- Interest earned on investments

Outflows from the Construction Fund

- Capital Program - Capital Improvement Plan projects and other large capital initiatives authorized by the Chief Executive Officer. For financial planning purposes the projected spend from the CIP plan is rounded up to the nearest $5 million to recognize the dynamic nature of the CIP
  - Capital Spend Rate Adjustment – The Board of Directors adopts a capital spending ratio assumption (SRA) which allows the realities of capital program delivery to align with the financial plan. The SRA is an analytical approach to bridge the total dollar amount of projects in the CIP with what can realistically be spent due to limitations beyond GLWA's control and/or delayed for nonbudgetary reasons. Those limitations, whether financial or non-financial, necessitate the SRA for budgetary purposes, despite the prioritization established.
  - The GLWA Capital Improvement Plan document is available online

Schedule 5A – Water Construction Fund - Five-Year Financial Plan

	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
Water Construction Fund	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Inflows								
Transfers in from Water I&E Fund								
Revenue Financed Capital	$ 171,562	$ 9,250,000	$ -	**$ -**	$ -	$ -	$ 19,000,000	$ 12,750,000
Transfers in from Water Operations Fund								
Bond Proceeds	231,833,814	222,000,000	202,000,000	**304,000,000**	228,000,000	168,000,000	69,000,000	131,000,000
State Revolving Loans	56,270,485	1,369,200	6,742,400	**-**	-	-	-	-
Grants and Capital Contributions	3,348,636	2,300,000	2,197,100	**1,154,900**	-	-	-	-
Investment Earnings	5,248,342	5,565,100	4,099,500	**4,237,700**	4,388,400	3,783,400	3,328,700	2,059,100
Total Inflows	**296,872,839**	**240,484,300**	**215,039,000**	**309,392,600**	**232,388,400**	**171,783,400**	**91,328,700**	**145,809,100**
Outflows								
Capital Program	156,209,178	185,000,000	185,000,000	**265,000,000**	305,000,000	230,000,000	190,000,000	85,000,000
Transfers out to Water Operations Fund								
Bond Cost of Issuance	1,812,585	1,665,000	1,515,000	**2,280,000**	1,710,000	1,260,000	517,500	982,500
Total Outflows	**158,021,763**	**186,665,000**	**186,515,000**	**267,280,000**	**306,710,000**	**231,260,000**	**190,517,500**	**85,982,500**
Net Inflow (Outflow) - Use of Construction Funds	**$ 138,851,076**	**$ 53,819,300**	**28,524,000**	**42,112,600**	**(74,321,600)**	**(59,476,600)**	**(99,188,800)**	**59,826,600**
Beginning Net Position			270,178,200	298,702,200	340,814,800	266,493,200	207,016,600	107,827,800
Projected Ending Net Position			$ 298,702,200	$ 340,814,800	$ 266,493,200	$ 207,016,600	$ 107,827,800	$ 167,654,400
Capital Improvement Plan		$ 183,064,000	$ 183,743,000	$ 302,768,000	$ 372,646,000	$ 246,750,000	$ 186,818,000	$ 82,080,000
Capital Spending Ratio		100%	100%	87%	81%	93%	100%	100%
Capital Financing Plan		$ 185,000,000	$ 185,000,000	$ 265,000,000	$ 305,000,000	$ 230,000,000	$ 190,000,000	$ 85,000,000

Schedule 5B – Sewer Construction Fund - Five-Year Financial Plan

	Actual	Adopted Budget	Projected	Proposed Budget		Projected		
Sewer Construction Fund	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Inflows								
Transfers in from Sewer I&E Fund								
Revenue Financed Capital	$ 955,262	$ 26,250,000	$ 36,000,000	**$ 38,250,000**	$ 56,000,000	$ 47,000,000	$ 55,500,000	$ 72,000,000
Transfers in from Sewer Operations Fund								
Bond Proceeds	51,717,480	101,000,000	26,000,000	**76,000,000**	65,000,000	39,000,000	33,000,000	60,000,000
State Revolving Loans	83,533,191	52,936,600	102,632,900	**159,595,800**	140,710,700	121,598,800	89,140,500	73,212,000
Grants and Capital Contributions	15,260,416	23,191,650	33,623,000	**10,157,500**	6,624,500	-	-	-
Investment Earnings	3,840,499	3,936,400	1,767,600	**2,019,200**	2,248,800	2,270,600	2,259,800	2,148,100
Total Inflows	**155,306,848**	**207,314,650**	**200,023,500**	**286,022,500**	**270,584,000**	**209,869,400**	**179,900,300**	**207,360,100**
Outflows								
Capital Program	174,702,592	175,000,000	240,000,000	**255,000,000**	280,000,000	235,000,000	185,000,000	180,000,000
Transfers out to Sewer Operations Fund								
Bond Cost of Issuance	1,710,095	757,500	195,000	**570,000**	487,500	292,500	247,500	450,000
Transfers out to Sewer I&E Fund								
Working Capital Adjustment (1)	1,942,016	-	-	**-**	-	-	-	-
Total Outflows	**178,354,703**	**175,757,500**	**240,195,000**	**255,570,000**	**280,487,500**	**235,292,500**	**185,247,500**	**180,450,000**
Net Inflow (Outflow) - Use of Construction Funds	**$ (23,047,855)**	**$ 31,557,150**	**(40,171,500)**	**30,452,500**	**(9,903,500)**	**(25,423,100)**	**(5,347,200)**	**26,910,100**
Beginning Net Position			149,360,300	109,188,800	139,641,300	129,737,800	104,314,700	98,967,500
Projected Ending Net Position			$ 109,188,800	$ 139,641,300	$ 129,737,800	$ 104,314,700	$ 98,967,500	$ 125,877,600
Capital Improvement Plan		$ 193,221,000	$ 262,279,000	$ 287,641,000	$ 330,945,000	$ 274,411,000	$ 195,686,000	$ 179,678,000
Capital Spending Ratio		90%	90%	88%	84%	85%	94%	100%
Capital Financing Plan		$ 175,000,000	$ 240,000,000	$ 255,000,000	$ 280,000,000	$ 235,000,000	$ 185,000,000	$ 180,000,000

(1) *The I&E Fund provided working capital and funding of capital expenditures in prior years through revenue financed capital transfers to the Construction Fund. Funds were returned to the I&E Fund in FY 2025 for expenditures which qualified for grants that were originally paid for with I&E funds.*

Operations & Maintenance Expense Budget - Schedules 6 - 9

This section provides information on the operations & maintenance (O&M) expense line item included in the revenue requirements in Schedules 1 through 3. Schedules 6 provides the Water Operations and Schedule 7 provides the Sewer Operations including the allocated centralized and administrative services for an overall view of the expenses by category. Schedule 8 provides the Water and Sewer Operations Combined expenses for an overview of the Authority's operations by expense category. The Schedule 9 schedules provide the O&M expenses by the operating service areas. More in-depth analysis of the O&M budgets is presented in Section 5 – Operating Financial Plans and Section 6 – Supplemental Analysis.

The tables in this section are pulled from a database in which the underlying data is not rounded while the budget tables presented in this document are rounded to the hundreds. Data pulled from the database in different formats may result in totals which may differ slightly when compared to the tables in Schedules 1 through 3. This is applicable to the actual data for FY 2025 also.

As noted earlier, the FY 2027 variances are calculated as the variance from the original FY 2026 adopted budget. A commentary of the major expense categories is included after Schedule 9.

Schedule 6 – Operations & Maintenance – Water Operations Fund – Biennial Budget

	FY 2025	FY 2026		FY 2027			FY 2028
Water Operations Fund	**Actual**	**Adopted Budget**	**Amended Budget**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
2.0 Salaries & Wages	$ 31,861,632	$ 42,011,500	$ 44,090,500	**$ 48,594,300**	**$ 6,582,800**	**15.7%**	50,082,300
2.3 Overtime	6,393,764	4,219,000	4,219,100	**5,332,900**	**1,113,900**	**26.4%**	5,380,800
2.4 Employee Benefits	21,792,382	14,210,100	14,554,200	**16,523,500**	**2,313,400**	**16.3%**	17,188,100
Total Personnel Costs	60,047,778	60,440,600	62,863,800	**70,450,700**	**10,010,100**	**16.6%**	72,651,200
3.1 Electric	28,416,567	31,856,600	32,384,600	**31,235,200**	**(621,400)**	**-2.0%**	31,764,400
3.2 Gas	1,415,006	1,219,600	1,219,600	**1,217,500**	**(2,100)**	**-0.2%**	1,233,100
3.3 Sewage Service	1,035,866	782,200	782,200	**834,900**	**52,700**	**6.7%**	846,900
3.4 Water Service	7,412	8,400	8,400	**4,900**	**(3,500)**	**-41.7%**	4,900
Total Utility Costs	30,874,851	33,866,800	34,394,800	**33,292,500**	**(574,300)**	**-1.7%**	33,849,300
4.1 Chemicals	14,111,802	14,904,300	14,904,300	**14,906,600**	**2,300**	**0.0%**	15,303,900
4.2 Supplies & Other	17,160,384	15,683,500	15,686,400	**17,707,100**	**2,023,600**	**12.9%**	17,349,800
4.3 Contractual Services	59,845,953	56,438,200	58,509,700	**53,874,000**	**(2,564,200)**	**-4.5%**	53,183,100
5.1 Capital Program Allocation	(1,700,664)	(1,726,000)	(1,726,000)	**(2,025,500)**	**(299,500)**	**17.4%**	(941,800)
5.2 Shared Services	(2,054,911)	(882,900)	(860,300)	**(857,200)**	**25,700**	**-2.9%**	(897,500)
5.5 Intergovermental Agreement	(2,879,562)	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	3,731,500	487,900	**6,215,200**	**2,483,700**	**66.6%**	10,238,600
Total Other Categories	84,483,002	88,148,600	87,002,000	**89,820,200**	**1,671,600**	**1.9%**	94,236,100
Grand Total	**$ 175,405,631**	**$ 182,456,000**	**$ 184,260,600**	**$ 193,563,400**	**$ 11,107,400**	**6.1%**	**$ 200,736,600**

Schedule 6 – Operations & Maintenance – Water Operations Fund – Five-Year Financial Plan

	Actual	Adopted Budget	Amended Budget	Proposed		Projected		
Water Operations Fund	**FY 2025**	**FY 2026**		**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2030**
2.0 Salaries & Wages	$ 31,861,632	$ 42,011,500	$ 44,090,500	**$ 48,594,300**	50,082,300	51,648,400	51,648,400	51,648,400
2.3 Overtime	6,393,764	4,219,000	4,219,100	**5,332,900**	5,380,800	5,410,800	5,410,800	5,410,800
2.4 Employee Benefits	21,792,382	14,210,100	14,554,200	**16,523,500**	17,188,100	17,867,000	18,005,000	18,143,100
Total Personnel Costs	60,047,778	60,440,600	62,863,800	**70,450,700**	72,651,200	74,926,200	75,064,200	75,202,300
3.1 Electric	28,416,567	31,856,600	32,384,600	**31,235,200**	31,764,400	32,302,800	32,844,600	33,210,900
3.2 Gas	1,415,006	1,219,600	1,219,600	**1,217,500**	1,233,100	1,251,100	1,270,600	1,284,300
3.3 Sewage Service	1,035,866	782,200	782,200	**834,900**	846,900	859,100	871,300	883,400
3.4 Water Service	7,412	8,400	8,400	**4,900**	4,900	5,000	5,100	5,200
Total Utility Costs	30,874,851	33,866,800	34,394,800	**33,292,500**	33,849,300	34,418,000	34,991,600	35,383,800
4.1 Chemicals	14,111,802	14,904,300	14,904,300	**14,906,600**	15,303,900	15,303,900	15,303,900	15,303,900
4.2 Supplies & Other	17,160,384	15,683,500	15,686,400	**17,707,100**	17,349,800	17,490,600	17,851,300	17,826,100
4.3 Contractual Services	59,845,953	56,438,200	58,509,700	**53,874,000**	53,183,100	52,176,000	51,210,100	52,305,300
5.1 Capital Program Allocation	(1,700,664)	(1,726,000)	(1,726,000)	**(2,025,500)**	(941,800)	(936,300)	(963,400)	(966,700)
5.2 Shared Services	(2,054,911)	(882,900)	(860,300)	**(857,200)**	(897,500)	(939,600)	(984,000)	(1,030,300)
5.5 Intergovermental Agreement	(2,879,562)	-	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	3,731,500	487,900	**6,215,200**	10,238,600	14,139,600	17,675,400	21,170,100
Total Other Categories	84,483,002	88,148,600	87,002,000	**89,820,200**	94,236,100	97,234,200	100,093,300	104,608,400
Grand Total	**$ 175,405,631**	**$ 182,456,000**	**$ 184,260,600**	**$ 193,563,400**	**$ 200,736,600**	**$ 206,578,400**	**$ 210,149,100**	**$ 215,194,500**
Changes in Annual Operations & Maintenance Budget				*6.1%*	*3.7%*	*2.9%*	*1.7%*	*2.4%*

Schedule 7 – Operations & Maintenance – Sewer Operations Fund - Biennial Budget

	FY 2025	FY 2026		FY 2027			FY 2028
Sewer Operations Fund	**Actual**	**Adopted Budget**	**Amended Budget**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
2.0 Salaries & Wages	64,123,182	56,859,600	59,264,800	**55,808,500**	**(1,051,100)**	**-1.8%**	58,115,200
2.3 Overtime	3,730,879	4,692,400	4,692,300	**4,308,800**	**(383,600)**	**-8.2%**	4,308,800
2.4 Employee Benefits	8,980,890	16,912,800	17,313,200	**17,353,200**	**440,400**	**2.6%**	18,316,000
Total Personnel Costs	76,834,951	78,464,800	81,270,300	**77,470,500**	**(994,300)**	**-1.3%**	80,740,000
3.1 Electric	18,161,562	19,451,500	18,923,500	**18,643,100**	**(808,400)**	**-4.2%**	19,028,700
3.2 Gas	6,246,056	5,893,000	5,893,000	**7,843,900**	**1,950,900**	**33.1%**	7,719,500
3.3 Sewage Service	1,364,344	1,673,100	1,673,100	**1,477,300**	**(195,800)**	**-11.7%**	1,506,400
3.4 Water Service	10,412,468	12,194,400	12,194,400	**11,153,400**	**(1,041,000)**	**-8.5%**	10,152,500
Total Utility Costs	36,184,430	39,212,000	38,684,000	**39,117,700**	**(94,300)**	**-0.2%**	38,407,100
4.1 Chemicals	20,273,321	23,460,300	22,284,700	**19,400,100**	**(4,060,200)**	**-17.3%**	19,723,400
4.2 Supplies & Other	28,566,939	29,527,700	29,829,600	**30,379,000**	**851,300**	**2.9%**	32,860,600
4.3 Contractual Services	70,823,305	63,770,000	65,756,700	**66,581,600**	**2,811,600**	**4.4%**	67,796,400
5.1 Capital Program Allocation	(1,199,916)	(1,704,600)	(1,704,600)	**(1,393,500)**	**311,100**	**-18.3%**	(929,900)
5.2 Shared Services	(527,744)	(1,426,200)	(1,403,500)	**(1,517,600)**	**(91,400)**	**6.4%**	(1,572,200)
5.5 Intergovermental Agreement	(1,201,306)	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	4,794,700	2,483,600	**7,725,600**	**2,930,900**	**61.1%**	11,385,200
Total Other Categories	116,734,600	118,421,900	117,246,500	**121,175,200**	**2,753,300**	**2.3%**	129,263,500
Grand Total	**$ 229,753,981**	**$ 236,098,700**	**$ 237,200,800**	**$ 237,763,400**	**$ 1,664,700**	**0.7%**	**$ 248,410,600**

Schedule 7 – Operations & Maintenance – Sewer Operations Fund - Five-Year Financial Plan

	Actual	Adopted Budget	Adopted Budget	Proposed		Projected		
Sewer Operations Fund	**FY 2025**	**FY 2026**		**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2030**
2.0 Salaries & Wages	64,123,182	56,859,600	59,264,800	**55,808,500**	58,115,200	60,659,100	60,659,100	60,659,100
2.3 Overtime	3,730,879	4,692,400	4,692,300	**4,308,800**	4,308,800	4,286,100	4,286,100	4,286,100
2.4 Employee Benefits	8,980,890	16,912,800	17,313,200	**17,353,200**	18,316,000	19,376,600	19,528,900	19,680,900
Total Personnel Costs	76,834,951	78,464,800	81,270,300	**77,470,500**	80,740,000	84,321,800	84,474,100	84,626,100
3.1 Electric	18,161,562	19,451,500	18,923,500	**18,643,100**	19,028,700	19,422,800	19,825,800	20,222,500
3.2 Gas	6,246,056	5,893,000	5,893,000	**7,843,900**	7,719,500	7,470,400	7,619,600	7,771,900
3.3 Sewage Service	1,364,344	1,673,100	1,673,100	**1,477,300**	1,506,400	1,536,000	1,566,200	1,597,400
3.4 Water Service	10,412,468	12,194,400	12,194,400	**11,153,400**	10,152,500	11,192,000	11,211,900	11,232,100
Total Utility Costs	36,184,430	39,212,000	38,684,000	**39,117,700**	38,407,100	39,621,200	40,223,500	40,823,900
4.1 Chemicals	20,273,321	23,460,300	22,284,700	**19,400,100**	19,723,400	20,031,500	20,402,300	20,751,100
4.2 Supplies & Other	28,566,939	29,527,700	29,829,600	**30,379,000**	32,860,600	32,695,300	34,208,100	33,974,000
4.3 Contractual Services	70,823,305	63,770,000	65,756,700	**66,581,600**	67,796,400	68,976,900	71,340,900	72,736,000
5.1 Capital Program Allocation	(1,199,916)	(1,704,600)	(1,704,600)	**(1,393,500)**	(929,900)	(1,048,800)	(1,076,100)	(1,920,400)
5.2 Shared Services	(527,744)	(1,426,200)	(1,403,500)	**(1,517,600)**	(1,572,200)	(1,631,700)	(1,691,600)	(1,739,000)
5.5 Intergovermental Agreement	(1,201,306)	-	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	4,794,700	2,483,600	**7,725,600**	11,385,200	15,259,000	18,685,200	21,968,000
Total Other Categories	116,734,600	118,421,900	117,246,500	**121,175,200**	129,263,500	134,282,200	141,868,800	145,769,700
Grand Total	**$ 229,753,981**	**$ 236,098,700**	**$ 237,200,800**	**$ 237,763,400**	**$ 248,410,600**	**$ 258,225,200**	**$ 266,566,400**	**$ 271,219,700**
Changes in Annual Operations & Maintenance Budget				*0.7%*	*4.5%*	*4.0%*	*3.2%*	*1.7%*

Schedule 8 – Operations & Maintenance – Water & Sewer Operations Combined - Biennial Budget

	FY 2025	FY 2026			FY 2027			FY 2028
Expense Category	**Actual**	**Adopted Budget**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
2.1 Salaries & Wages	$ 84,979,179	$ 86,632,900	$ 91,086,600	24,462,602	**$ 95,548,000**	**$ 8,915,100**	**10.3%**	$ 98,924,700
2.2 Workforce Development	2,811,306	3,746,800	3,777,300	571,889	**2,426,200**	**(1,320,600)**	**-35.2%**	2,821,700
2.3 Overtime	10,124,433	8,911,400	8,911,400	2,724,141	**9,641,700**	**730,300**	**8.2%**	9,689,600
2.4 Employee Benefits	30,773,272	31,122,900	31,867,400	8,946,539	**33,876,700**	**2,753,800**	**8.8%**	35,504,100
2.5 Transition Services	8,194,544	8,491,400	8,491,400	2,136,222	**6,428,600**	**(2,062,800)**	**-24.3%**	6,451,100
Total Personnel Costs	136,882,734	138,905,400	144,134,100	38,841,393	**147,921,200**	**9,015,800**	**6.5%**	153,391,200
3.1 Electric	46,578,127	51,308,100	51,308,100	11,929,850	**49,878,300**	**(1,429,800)**	**-2.8%**	50,793,100
3.2 Gas	7,661,062	7,112,600	7,112,600	1,690,388	**9,061,400**	**1,948,800**	**27.4%**	8,952,600
3.3 Sewage Service	2,400,208	2,455,300	2,455,300	600,595	**2,312,200**	**(143,100)**	**-5.8%**	2,353,300
3.4 Water Service	10,419,881	12,202,800	12,202,800	3,081,520	**11,158,300**	**(1,044,500)**	**-8.6%**	10,157,400
Total Utility Costs	67,059,278	73,078,800	73,078,800	17,302,353	**72,410,200**	**(668,600)**	**-0.9%**	72,256,400
4.1 Chemicals	34,385,124	38,364,600	37,189,000	7,798,289	**34,306,700**	**(4,057,900)**	**-10.6%**	35,027,300
4.2 Supplies & Other	45,727,329	45,211,200	45,516,000	10,672,770	**48,086,100**	**2,874,900**	**6.4%**	50,210,400
4.3 Contractual Services	128,153,081	120,208,200	124,266,400	30,440,750	**120,455,600**	**247,400**	**0.2%**	120,979,500
5.1 Capital Program Allocation	(2,900,581)	(3,430,600)	(3,430,600)	(790,824)	**(3,419,000)**	**11,600**	**-0.3%**	(1,871,700)
5.2 Shared Services	(2,582,655)	(2,309,100)	(2,263,800)	(571,650)	**(2,374,800)**	**(65,700)**	**2.8%**	(2,469,700)
5.5 Intergovermental Agreement	(1,564,690)	-	-	-	**-**	**-**	**0.0%**	-
7.0 Unallocated Reserve	-	8,526,200	2,971,500	-	**13,940,800**	**5,414,600**	**63.5%**	21,623,800
Total Other Categories	201,217,608	206,570,500	204,248,500	47,549,335	**210,995,400**	**4,424,900**	**2.1%**	223,499,600
Grand Total	**$ 405,159,620**	**$ 418,554,700**	**$ 421,461,400**	**$ 103,693,081**	**$ 431,326,800**	**$ 12,772,100**	**3.1%**	**$ 449,147,200**

Schedule 8 – Operations & Maintenance – Water & Sewer Operations Combined - Five-Year Financial Plan

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 84,979,179	$ 86,632,900	$ 91,086,600	**$ 95,548,000**	$ 98,924,700	$ 102,505,800	$ 102,505,800	$ 102,505,800
2.2 Workforce Development	2,811,306	3,746,800	3,777,300	**2,426,200**	2,821,700	3,305,000	3,305,000	3,305,000
2.3 Overtime	10,124,433	8,911,400	8,911,400	**9,641,700**	9,689,600	9,696,900	9,696,900	9,696,900
2.4 Employee Benefits	30,773,272	31,122,900	31,867,400	**33,876,700**	35,504,100	37,243,600	37,533,900	37,824,000
2.5 Transition Services	8,194,544	8,491,400	8,491,400	**6,428,600**	6,451,100	6,496,700	6,496,700	6,496,700
Total Personnel Costs	136,882,734	138,905,400	144,134,100	**147,921,200**	153,391,200	159,248,000	159,538,300	159,828,400
3.1 Electric	46,578,127	51,308,100	51,308,100	**49,878,300**	50,793,100	51,725,600	52,670,400	53,433,400
3.2 Gas	7,661,062	7,112,600	7,112,600	**9,061,400**	8,952,600	8,721,500	8,890,200	9,056,200
3.3 Sewage Service	2,400,208	2,455,300	2,455,300	**2,312,200**	2,353,300	2,395,100	2,437,500	2,480,800
3.4 Water Service	10,419,881	12,202,800	12,202,800	**11,158,300**	10,157,400	11,197,000	11,217,000	11,237,300
Total Utility Costs	67,059,278	73,078,800	73,078,800	**72,410,200**	72,256,400	74,039,200	75,215,100	76,207,700
4.1 Chemicals	34,385,124	38,364,600	37,189,000	**34,306,700**	35,027,300	35,335,400	35,706,200	36,055,000
4.2 Supplies & Other	45,727,329	45,211,200	45,516,000	**48,086,100**	50,210,400	50,185,900	52,059,400	51,800,100
4.3 Contractual Services	128,153,081	120,208,200	124,266,400	**120,455,600**	120,979,500	121,152,900	122,551,000	125,041,300
5.1 Capital Program Allocation	(2,900,581)	(3,430,600)	(3,430,600)	**(3,419,000)**	(1,871,700)	(1,985,100)	(2,039,500)	(2,887,100)
5.2 Shared Services	(2,582,655)	(2,309,100)	(2,263,800)	**(2,374,800)**	(2,469,700)	(2,571,300)	(2,675,600)	(2,769,300)
5.5 Intergovermental Agreement	(1,564,690)	-	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	8,526,200	2,971,500	**13,940,800**	21,623,800	29,398,600	36,360,600	43,138,100
Total Other Categories	201,217,608	206,570,500	204,248,500	**210,995,400**	223,499,600	231,516,400	241,962,100	250,378,100
Grand Total	**$ 405,159,620**	**$ 418,554,700**	**$ 421,461,400**	**$ 431,326,800**	**$ 449,147,200**	**$ 464,803,600**	**$ 476,715,500**	**$ 486,414,200**

Personnel Costs are the single largest category of expenses. It includes traditional categories (salaries & wages, overtime, and benefits) in addition to two unique categories. The first is "Transition Services" which represents the use of contractual and/or temp to hire personnel that are placed in positions that would otherwise be filled by employees. While progress has been made in filling positions, the tight labor market has presented a challenge in the recruitment process. The second category listed in the table is "Workforce Development". In order to overcome the labor shortage, the GLWA partnered with Focus Hope and others to implement an apprenticeship program beginning in FY 2017. The apprenticeship program, having received positive feedback and resulted in successful recruitments, has continued to expand.

Contractual Services are the second largest expense. This is not unusual for a large utility like the GLWA. This is a broad category that spans all groups from engineering, legal, operations, planning, information technology, and finance. GLWA's Contractual Services stayed consistent in FY 2027 and FY 2028 as the implementation of the IT infrastructure projects Workday and NEXGEN have gone live. The implementation of Kahua is still in process.

Utilities costs are the third largest expense and are a strategic target for optimization through energy management efforts and improved review of billings. See further analysis of utilities in Section 6 – Supplemental Analysis (Utilities).

Chemicals are the fourth largest expense. See further analysis of chemicals in Section 6 – Supplemental Analysis (Bulk Chemicals).

Capital Program Allocation represents a portion of O&M expenses that are properly allocable to capital program management as overhead based on staff time and task tracking. These costs are capitalized as part of the construction project.

Shared Services accounts for recoverable O&M costs pursuant to a shared services agreement executed in December 2015 with the City of Detroit. Shared Services largely fall in the Information Technology, Systems Operations Control, Pumping Stations, Security, and Treasury budgets. See further analysis of shared services in Section 6 – Supplemental Analysis (Shared Services).

Unallocated Reserve reflects a reserve for unforeseen operational needs which are reallocated to line items as needed. This eliminates the need for contingency funds within individual cost center line items and provides assurance to operators that sufficient funds exist if emergencies arise. Uses of the unallocated reserve in the past include emergency repairs, new initiatives, mid-fiscal year medical plan increases, revenue shortfalls, and items not known at the time of the budgeting process. The provision for wage adjustments, which are based on merit, can also be funded from this category.

Operations and Maintenance Budget by Service Area: Schedule 9 depicts how similar cost centers are grouped and managed by the GLWA. There are four broad categories listed and defined below.

A) **Water System Operations** are the direct operational activities to ensure the delivery of quality water, operation of five water treatment plants, 19 pumping (booster) stations, engineering, laboratory services, and management of those activities.
B) **Wastewater (Sewer) System Operations** include direct operational wastewater activities related to operations (process control, primary, secondary, dewatering, and incineration), biosolids dryer facility and hauling, engineering, industrial waste control, laboratory services, one water resource recovery facility, eight combined sewer overflow facilities (five CSO retention and treatment basins and three screening and disinfection facilities), six pumping (lift) stations, and management of those facilities. In addition, GLWA maintains one CSO and four pumping stations on behalf of DWSD pursuant to a shared service agreement.
C) **Centralized Services** include operational functions that serve both Water and Wastewater (Sewer) Operations. This includes System Resiliency, Planning Services (Chief Planning Officer, Wastewater Analytics Planning & Metering, Asset Management, Member Services, Water Analytics Planning & Metering, and Capital Improvement Planning); Systems Operations Control (Systems Control); Facility and Fleet Operations; Field Service Operations; Energy, Research & Innovation; Transformation; Information Technology (Office of the Chief Information Officer, Project Management, Service Delivery, Infrastructure, Business Productivity Systems, Enterprise Asset Management Systems, and Security & Risk); and Security & Integrity which includes HazMat and Office of Emergency Preparedness.
D) **Administrative Services** include the Board of Directors, Chief Executive Officer, Chief Administrative and Compliance Officer (Risk Management & Safety), General Counsel, Public Affairs, Organizational Development, and Financial Services (Chief Financial Officer, Financial Reporting & Accounting, Financial Management & Planning, CFO Services, Treasury, Procurement Director, and Logistics & Materials).

The Centralized and Administrative Services areas act as an internal shared service to better manage resources and technical expertise. Schedules of each operating area by expense category are included in Section 5A – Water System Operations Overview, 5B – Wastewater (Sewer) Systems Overview, 5C – Centralized Services Overview and 5D – Administrative Services Overview. The Centralized Services Overview in Section 5C and the Administrative Services Overview in Section 5D, explain the cost allocation methodology. A review of the cost allocation methodology is conducted annually.

Schedule 9 – Operations & Maintenance Biennial Budget by Service Area – Biennial Budget

	FY 2025	FY 2026			FY 2027			FY 2028
Operating Area	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
A - Water	$ 93,194,995	$ 101,500,700	$ 101,500,700	$ 25,420,240	**$ 103,653,900**	**$ 2,153,200**	**2.1%**	$ 107,568,700
B - Wastewater	149,112,911	156,572,600	156,572,600	37,994,551	**158,646,800**	**2,074,200**	**1.3%**	166,667,700
C - Centralized Services	122,868,783	117,387,600	120,259,500	28,517,201	**123,428,800**	**6,041,200**	**5.1%**	127,248,200
D - Administrative Services	39,982,930	43,093,800	43,128,600	11,761,089	**45,597,300**	**2,503,500**	**5.8%**	47,662,600
Grand Total	**$ 405,159,620**	**$ 418,554,700**	**$ 421,461,400**	**$ 103,693,081**	**$ 431,326,800**	**$ 12,772,100**	**3.1%**	**$ 449,147,200**

Schedule 9 – Operations & Maintenance Five-Year Financial Plan by Service Area – Five Year Financial Plan

	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Operating Area	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
A - Water	$ 93,194,995	$ 101,500,700	$ 101,500,700	$ 103,653,900	$ 107,568,700	$ 110,313,200	$ 113,107,900	$ 115,999,300
B - Wastewater	149,112,911	156,572,600	156,572,600	158,646,800	166,667,700	173,419,700	178,439,200	180,844,400
C - Centralized Services	122,868,783	117,387,600	120,259,500	123,428,800	127,248,200	131,130,800	133,701,000	136,725,000
D - Administrative Services	39,982,930	43,093,800	43,128,600	45,597,300	47,662,600	49,939,900	51,467,400	52,845,500
Grand Total	**$ 405,159,620**	**$ 418,554,700**	**$ 421,461,400**	**$ 431,326,800**	**$ 449,147,200**	**$ 464,803,600**	**$ 476,715,500**	**$ 486,414,200**

Master Bond Ordinance Schedules – Schedule 10

Note: Information from the Local System (DWSD) is not available to complete this table at this time

GLWA
Great Lakes Water Authority

Section 5
Operating Financial Plans

Operating Financial Plans by Service Area

GLWA's operating area financial plans provide the bridge from the operating units' objectives with the overall GLWA mission. The operating area plans also ensure that the organization is financially sound by aligning the allocation of resources across all levels of GLWA. This coordination requires a high level of preparation and interaction from both inside and outside of the organization. Sound approaches to financial planning are imperative for ensuring long-term success in today's complex environment. GLWA has prepared a balanced operating budget for fiscal years 2027 and 2028 and the forecasted financial plan for fiscal years 2029 through 2031.

Variance columns in Section 5 are based on a comparison to the Adopted FY 2025 budget. This provides a more useful analysis to compare FY 2027 to expected expenditures for FY 2026.

The tables in Section 5 are pulled from a database in which some of the underlying data is not rounded while the budget tables presented in this document are rounded to the hundred. This may result in totals within the individual departments in Sections 5A, 5B, 5C and 5D not precisely matching the department totals in Tables A, B, C and D in this section of the Operating Financial Plans due to rounding. This is applicable to the actual data for FY 2025 also.

As discussed in Section 2, the Operations and Maintenance budget includes four service areas as shown in Schedule 9. They include:

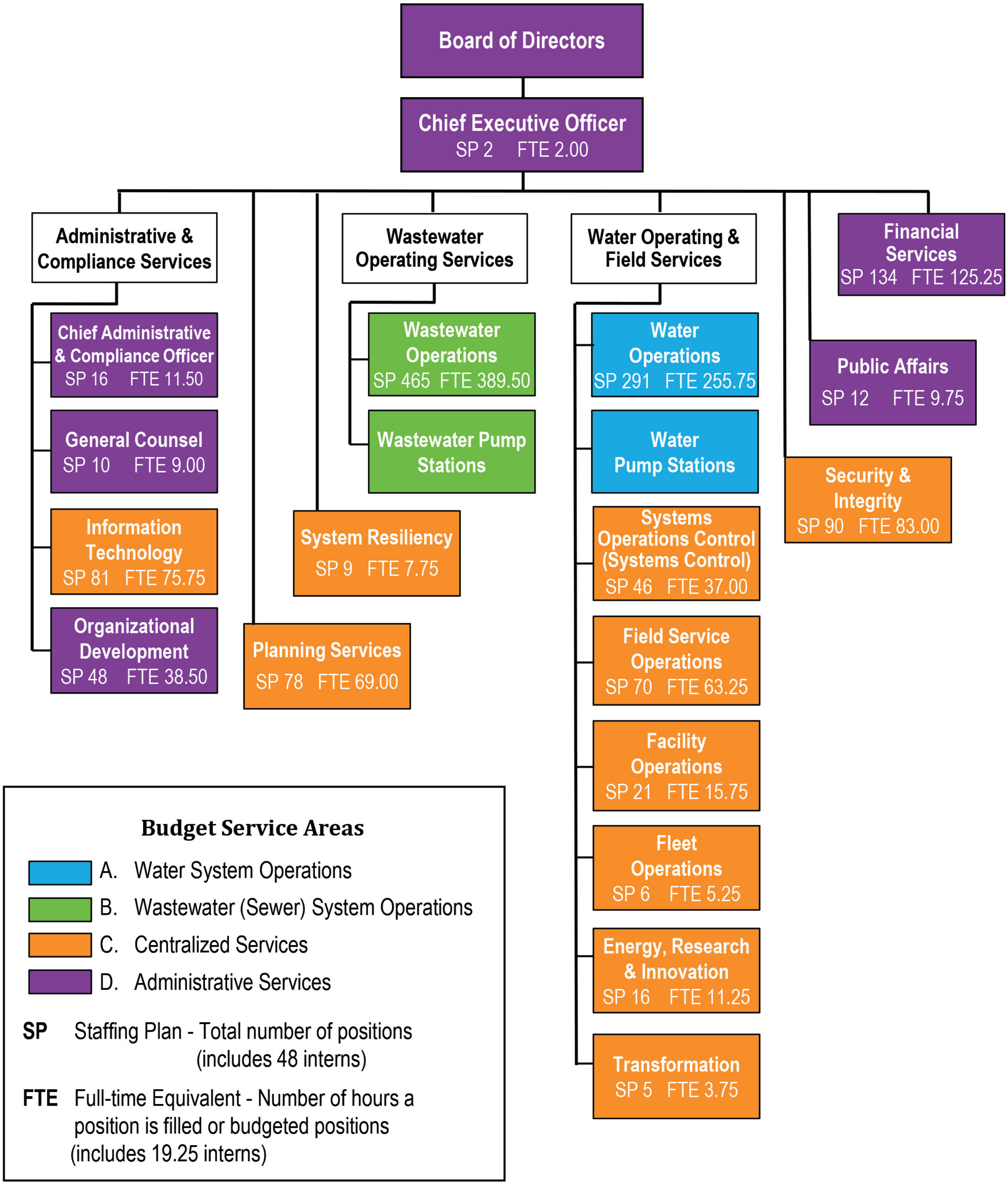
A. Water System Operations
B. Wastewater (Sewer) System Operations
C. Centralized Services
D. Administrative Services

The following table shows the two major funds used for financial reporting purposes, and which major fund the operating service areas expenditures are reported in.

Water Operations Fund	Sewer Operations Fund	Allocation
A. Water Systems Operations	B. Wastewater System Operations	100%
C. Centralized Services	C. Centralized Services	Varies - See Section 5C
D. Administrative Services	D. Administrative Services	Varies - See Section 5D

The following organization chart is color coded by service area to show the departments within those service areas.

Organizational Line of Reporting Chart



The following tables provide the expenses by cost center of the four service areas as shown in Section 2 - Core Financial Plan Schedules Schedule 9. Detailed schedules by expense category are shown in Sections 5A, 5B, 5C and 5D.

A - Water System Operations Area and Related Cost Centers – Biennial Budget

A Water System Operations by Cost Center	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Water Operations							
882001 COO - Water Operations & Field Services	$ 1,535,402	$ 1,623,600	$ 392,073	$ 1,693,500	$ 69,900	4.3%	$ 1,718,500
882131 Water Works Park	12,189,529	13,041,100	2,711,772	14,225,900	1,184,800	9.1%	14,596,700
882141 Springwells Water Plant	15,816,079	18,139,100	5,645,890	16,383,200	(1,755,900)	-9.7%	17,631,000
882151 Northeast Water Plant	11,603,142	16,432,800	2,765,341	14,891,500	(1,541,300)	-9.4%	13,646,500
882161 Southwest Water Plant	14,061,296	12,866,200	4,060,979	13,626,700	760,500	5.9%	13,759,900
882171 Lake Huron Water Plant	15,991,180	17,243,300	3,995,694	16,448,700	(794,600)	-4.6%	16,761,000
882101 Water Director	3,479,877	3,573,700	875,940	3,860,500	286,800	8.0%	2,962,800
882111 Water Engineering	2,302,101	2,201,900	624,936	2,526,600	324,700	14.7%	3,718,700
882121 Water Quality	2,912,159	2,838,700	845,793	3,159,800	321,100	11.3%	3,205,300
887601 Water System Operations Unallocated Reserve	-	487,900	-	3,422,800	2,934,900	601.5%	5,898,900
Total Water Operations	79,890,765	88,448,300	21,918,417	90,239,200	1,790,900	2.0%	93,899,300
Water Pump Stations							
882321 Ford Rd Pumping Station	432,568	544,000	111,652	539,100	(4,900)	-0.9%	549,200
882322 Eastside Pumping Station	123,276	85,500	22,616	86,800	1,300	1.5%	88,200
882323 Northwest Pumping Station	78,969	81,900	16,557	83,100	1,200	1.5%	84,400
882324 West Service Center Pumping	896,016	1,222,900	285,732	1,155,100	(67,800)	-5.5%	1,178,400
882325 Michigan Ave Pumping Station	168,720	219,700	35,817	223,700	4,000	1.8%	227,700
882326 West Chicago Rd Pumping Station	54,597	35,600	4,259	36,100	500	1.4%	36,700
882327 Electric Ave Pumping Station	38,375	35,500	4,296	36,000	500	1.4%	36,500
882328 Orion Township Pumping Station	96,304	122,500	30,636	124,200	1,700	1.4%	126,000
882329 North Service Center Pumping	2,729,864	2,485,000	723,471	2,580,900	95,900	3.9%	2,627,700
882330 Adams Road Pumping Station	807,648	768,400	200,070	832,100	63,700	8.3%	846,000
882331 Newburgh Pumping Station	437,319	510,000	90,623	519,300	9,300	1.8%	528,800
882332 Franklin Road Pumping Station	999,839	1,097,000	323,236	1,116,400	19,400	1.8%	1,136,100
882333 Roseville Pumping Station	134	300	47	300	-	0.0%	300
882334 Wick Road Pumping Station	867,548	736,800	146,177	758,900	22,100	3.0%	783,900
882335 Joy Road Pumping Station	753,690	828,100	163,708	863,800	35,700	4.3%	879,300
882336 Schoolcraft Pumping Station	457,655	506,700	106,605	516,200	9,500	1.9%	525,200
882337 Ypsilanti Pumping Station	531,873	534,300	145,195	544,500	10,200	1.9%	555,000
882338 Imlay Pumping Station	3,169,240	2,618,300	854,796	2,767,100	148,800	5.7%	2,817,500
882339 Rochester Pumping Station	385,245	285,300	154,304	291,000	5,700	2.0%	296,700
882340 Haggerty Road Pumping Station	275,350	334,700	82,026	340,100	5,400	1.6%	345,800
Total Water Pump Stations	13,304,230	13,052,500	3,501,823	13,414,700	362,200	2.8%	13,669,400
Total Water System Operations	93,194,995	101,500,800	25,420,240	103,653,900	2,153,100	2.1%	107,568,700
Employee Benefits to be Allocated	-	-	1,029,514	-	-	0.0%	-
Grand Total	**$ 93,194,995**	**$ 101,500,800**	**$ 26,449,754**	**$ 103,653,900**	**$ 2,153,100**	**2.1%**	**$ 107,568,700**

A - Water System Operations Area and Related Cost Centers – Five-Year Financial Plan

A Water System Operations	Actual	Amended Budget	Proposed Budget		Projected		
by Cost Center	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water Operations							
882001 COO - Water Operations & Field Services	$ 1,535,402	$ 1,623,600	$ 1,693,500	$ 1,718,500	$ 1,765,400	$ 1,768,900	$ 1,772,400
882131 Water Works Park	12,189,529	13,041,100	14,225,900	14,596,700	14,791,400	14,723,100	14,561,900
882141 Springwells Water Plant	15,816,079	18,139,100	16,383,200	17,631,000	19,623,600	16,401,400	20,067,600
882151 Northeast Water Plant	11,603,142	16,432,800	14,891,500	13,646,500	13,820,800	15,094,700	12,499,100
882161 Southwest Water Plant	14,061,296	12,866,200	13,626,700	13,759,900	11,381,600	13,725,600	13,607,900
882171 Lake Huron Water Plant	15,991,180	17,243,300	16,448,700	16,761,000	16,784,800	16,905,500	16,827,200
882101 Water Director	3,479,877	3,573,700	3,860,500	2,962,800	2,976,900	2,981,100	2,985,200
882111 Water Engineering	2,302,101	2,201,900	2,526,600	3,718,700	3,776,700	3,756,300	3,758,800
882121 Water Quality	2,912,159	2,838,700	3,159,800	3,205,300	3,211,000	3,227,000	3,234,000
887601 Water System Operations Unallocated Reserve	-	487,900	3,422,800	5,898,900	8,249,600	10,336,100	12,432,000
Total Water Operations	79,890,765	88,448,300	90,239,200	93,899,300	96,381,800	98,919,700	101,746,100
Water Pump Stations							
882321 Ford Rd Pumping Station	432,568	544,000	539,100	549,200	559,300	569,400	579,400
882322 Eastside Pumping Station	123,276	85,500	86,800	88,200	89,600	89,600	89,600
882323 Northwest Pumping Station	78,969	81,900	83,100	84,400	85,700	85,700	85,700
882324 West Service Center Pumping Station	896,016	1,222,900	1,155,100	1,178,400	1,202,200	1,226,400	1,246,400
882325 Michigan Ave Pumping Station	168,720	219,700	223,700	227,700	231,700	231,700	231,700
882326 West Chicago Rd Pumping Station	54,597	35,600	36,100	36,700	37,300	37,900	37,900
882327 Electric Ave Pumping Station	38,375	35,500	36,000	36,500	37,000	37,500	37,500
882328 Orion Township Pumping Station	96,304	122,500	124,200	126,000	127,900	129,800	129,800
882329 North Service Center Pumping Station	2,729,864	2,485,000	2,580,900	2,627,700	2,675,300	2,723,900	2,723,900
882330 Adams Road Pumping Station	807,648	768,400	832,100	846,000	860,200	874,500	874,500
882331 Newburgh Pumping Station	437,319	510,000	519,300	528,800	538,000	548,400	548,400
882332 Franklin Road Pumping Station	999,839	1,097,000	1,116,400	1,136,100	1,156,300	1,177,700	1,177,700
882333 Roseville Pumping Station	134	300	300	300	300	300	300
882334 Wick Road Pumping Station	867,548	736,800	758,900	783,900	811,300	832,900	832,900
882335 Joy Road Pumping Station	753,690	828,100	863,800	879,300	895,200	911,600	911,600
882336 Schoolcraft Pumping Station	457,655	506,700	516,200	525,200	536,000	547,200	547,200
882337 Ypsilanti Pumping Station	531,873	534,300	544,500	555,000	565,200	576,300	576,300
882338 Imlay Pumping Station	3,169,240	2,618,300	2,767,100	2,817,500	2,868,300	2,920,600	2,955,600
882339 Rochester Pumping Station	385,245	285,300	291,000	296,700	302,600	308,200	308,200
882340 Haggerty Road Pumping Station	275,350	334,700	340,100	345,800	352,000	358,600	358,600
Total Water Pump Stations	13,304,230	13,052,500	13,414,700	13,669,400	13,931,400	14,188,200	14,253,200
Grand Total	**$ 93,194,995**	**$ 101,500,800**	**$ 103,653,900**	**$ 107,568,700**	**$ 110,313,200**	**$ 113,107,900**	**$ 115,999,300**

B - Sewer System Operations Area and Related Cost Centers – Biennial Budget

	FY 2025	FY 2026		FY 2027			FY 2028
B Sewer System Operations by Cost Center	**Actual**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
Wastewater Operations							
892001 Chief Operating Officer	$ 2,744,594	$ 2,904,100	$ 889,728	$ 3,191,300	$ 287,200	9.9%	$ 3,355,500
892201 Wastewater Director	10,706,688	9,243,700	2,931,408	8,586,500	(657,200)	-7.1%	8,839,300
892211 Wastewater Engineering	3,240,325	3,365,400	899,411	3,414,500	49,100	1.5%	4,419,200
892221 Wastewater Operations	33,779,821	38,429,000	8,835,553	40,493,700	2,064,700	5.4%	40,565,400
892222 Wastewater Process Control	4,477,075	3,953,000	958,486	4,582,300	629,300	15.9%	4,749,300
892223 Wastewater Primary Process	15,016,758	16,066,300	3,547,656	14,149,100	(1,917,200)	-11.9%	15,867,800
892224 Wastewater Secondary Process	15,177,673	17,541,000	3,621,224	16,837,900	(703,100)	-4.0%	17,358,100
892225 Wastewater Dewatering Process	6,443,575	6,655,700	1,494,914	6,444,300	(211,400)	-3.2%	6,663,900
892226 Wastewater Incineration Process	7,336,339	7,201,000	2,251,274	6,880,200	(320,800)	-4.5%	7,432,500
892227 BDF, COF & Hauling	22,989,894	24,532,600	6,006,365	25,202,900	670,300	2.7%	25,766,900
892228 Wastewater Fire Damage	-	-	-	-	-	0.0%	-
892231 Industrial Waste Control	2,660,848	3,190,000	726,627	3,080,800	(109,200)	-3.4%	3,303,500
892235 Wastewater Laboratories	4,549,466	4,115,700	1,176,221	4,395,200	279,500	6.8%	4,600,400
892269 Suburban Only Green Infrastructure Allocation	340,000	354,000	84,900	340,000	(14,000)	-4.0%	340,000
892270 Combined Sewer Overflow	6,088,493	4,676,100	1,336,082	4,717,000	40,900	0.9%	4,788,200
892271 Puritan Fenkell Combined Sewer Overflow	217,873	290,300	50,449	297,500	7,200	2.5%	303,800
892272 7 Mile Combined Sewer Overflow	567,365	150,300	2,670	217,900	67,600	45.0%	220,800
892273 Hubble Southfield CSO	813,555	1,053,400	137,591	934,000	(119,400)	-11.3%	946,400
892274 Leib Combined Sewer Overflow	284,563	433,950	108,987	386,100	(47,850)	-11.0%	391,800
892275 St Aubin Combined Sewer	285,365	327,800	30,460	284,600	(43,200)	-13.2%	287,900
892276 Conner Creek Combined Sewer Overflow	4,158,870	3,621,050	965,938	3,169,400	(451,650)	-12.5%	3,198,000
892277 Baby Creek Combined Sewer Overflow	990,497	1,219,400	102,010	998,000	(221,400)	-18.2%	1,010,400
892278 Oakwood Combined Sewer	1,829,190	1,782,000	464,298	1,821,700	39,700	2.2%	1,852,200
892279 Belle Isle Combined Sewer	(36,135)	-	(9,395)	-	-	0.0%	-
897600 Wastewater System Operations Unallocated Reserve	-	2,483,600	-	4,933,400	2,449,800	98.6%	7,045,700
Total Wastewater Operations	144,662,692	153,589,400	36,612,859	155,358,300	1,768,900	1.2%	163,307,000
Wastewater Pump Stations							
892342 Belle Isle Pumping Station	32,170	-	(9,969)	-	-	0.0%	-
892343 Blue Hill Pumping Station	(389,462)	-	(32,869)	-	-	0.0%	-
892345 Conner Pumping Station	1,384,222	841,900	200,805	805,700	(36,200)	-4.3%	820,600
892346 Fairview Pumping Station	765,096	762,500	177,471	787,200	24,700	3.2%	800,800
892347 Fischer Pumping Station	(80,475)	-	1,554	-	-	0.0%	-
892348 Fox Creek Enclosure	3,245	1,100	111	3,000	1,900	172.7%	3,100
892349 Freud Pumping Station	490,173	550,600	215,420	577,000	26,400	4.8%	598,300
892350 Northeast Pumping Station	2,051,038	597,300	799,681	904,000	306,700	51.3%	922,100
892351 Oakwood Pumping Station	125,211	229,800	41,800	211,600	(18,200)	-7.9%	215,800
892352 Woodmere Pumping Station	69,016	-	(12,312)	-	-	0.0%	-
Total Wastewater Pump Stations	4,450,234	2,983,200	1,381,693	3,288,500	305,300	10.2%	3,360,700
Grand Total	**$ 149,112,926**	**$ 156,572,600**	**$ 37,994,551**	**$ 158,646,800**	**$ 2,074,200**	**1.3%**	**$ 166,667,700**

B - Sewer System Operations Area and Related Cost Centers – Five-Year Financial Plan

B Sewer System Operations by Cost Center	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wastewater Operations							
892001 Chief Operating Officer	$ 2,744,594	$ 2,904,100	$ 3,191,300	$ 3,355,500	$ 3,495,500	$ 3,530,000	$ 3,536,600
892201 Wastewater Director	10,706,688	9,243,700	8,586,500	8,839,300	9,066,200	9,133,200	9,201,500
892211 Wastewater Engineering	3,240,325	3,365,400	3,414,500	4,419,200	4,823,400	4,826,800	4,013,700
892221 Wastewater Operations	33,779,821	38,429,000	40,493,700	40,565,400	42,097,300	42,602,800	43,169,100
892222 Wastewater Process Control	4,477,075	3,953,000	4,582,300	4,749,300	5,100,700	5,292,100	5,429,500
892223 Wastewater Primary Process	15,016,758	16,066,300	14,149,100	15,867,800	15,465,800	16,503,800	15,895,800
892224 Wastewater Secondary Process	15,177,673	17,541,000	16,837,900	17,358,100	17,817,600	18,075,500	18,323,500
892225 Wastewater Dewatering Process	6,443,575	6,655,700	6,444,300	6,663,900	6,928,100	6,965,100	7,030,900
892226 Wastewater Incineration Process	7,336,339	7,201,000	6,880,200	7,432,500	7,799,500	7,857,700	7,917,100
892227 BDF, COF & Hauling	22,989,894	24,532,600	25,202,900	25,766,900	26,298,000	26,976,000	27,497,200
892228 Wastewater Fire Damage	-	-	-	-	-	-	-
892231 Industrial Waste Control	2,660,848	3,190,000	3,080,800	3,303,500	3,433,000	3,313,100	3,320,900
892235 Wastewater Laboratories	4,549,466	4,115,700	4,395,200	4,600,400	4,808,100	4,831,600	4,855,000
892269 Suburban Only Green	340,000	354,000	340,000	340,000	340,000	340,000	340,000
892270 Combined Sewer Overflow	6,088,493	4,676,100	4,717,000	4,788,200	4,847,900	4,878,700	4,910,900
892231 Industrial Waste Control	217,873	290,300	297,500	303,800	310,300	318,300	324,400
892272 7 Mile Combined Sewer Overflow	567,365	150,300	217,900	220,800	224,800	228,800	234,500
892273 Hubble Southfield CSO	813,555	1,053,400	934,000	946,400	959,400	977,400	992,300
892274 Leib Combined Sewer Overflow	284,563	433,950	386,100	391,800	397,800	405,600	412,800
892275 St Aubin Combined Sewer Overflow	285,365	327,800	284,600	287,900	293,500	298,400	304,900
892276 Conner Creek Combined Sewer Overflow	4,158,870	3,621,050	3,169,400	3,198,000	3,233,500	3,292,700	3,333,300
892277 Baby Creek Combined Sewer Overflow	990,497	1,219,400	998,000	1,010,400	1,025,100	1,044,100	1,060,900
892278 Oakwood Combined Sewer Overflow	1,829,190	1,782,000	1,821,700	1,852,200	1,885,200	1,922,300	1,960,200
892279 Belle Isle Combined Sewer Overflow	(36,135)	-	-	-	-	-	-
897600 Wastewater System Operations Unallocated Reserve	-	2,483,600	4,933,400	7,045,700	9,369,000	11,346,000	13,230,100
Total Wastewater Operations Group	144,662,692	153,589,400	155,358,300	163,307,000	170,019,700	174,960,000	177,295,100
Wastewater Pump Stations							
892342 Belle Isle Pumping Station	32,170	-	-	-	-	-	-
892343 Blue Hill Pumping Station	(389,462)	-	-	-	-	-	-
892345 Conner Pumping Station	1,384,222	841,900	805,700	820,600	835,300	851,900	869,200
892346 Fairview Pumping Station	765,096	762,500	787,200	800,800	813,900	830,100	846,800
892347 Fischer Pumping Station	(80,475)	-	-	-	-	-	-
892348 Fox Creek Enclosure	3,245	1,100	3,000	3,100	3,200	3,300	3,400
892349 Freud Pumping Station	490,173	550,600	577,000	598,300	586,800	609,900	622,200
892350 Northeast Pumping Station	2,051,038	597,300	904,000	922,100	940,600	959,400	978,600
892351 Oakwood Pumping Station	125,211	229,800	211,600	215,800	220,200	224,600	229,100
892352 Woodmere Pumping Station	69,016	-	-	-	-	-	-
Total Wastewater Pump Stations	$ 4,450,234	$ 2,983,200	$ 3,288,500	$ 3,360,700	$ 3,400,000	$ 3,479,200	$ 3,549,300
Grand Total	**$ 149,112,926**	**$ 156,572,600**	**$ 158,646,800**	**$ 166,667,700**	**$ 173,419,700**	**$ 178,439,200**	**$ 180,844,400**

C - Centralized Services Operating Area and Related Cost Centers - Biennial Budget

C Centralized Services by Cost Center	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Planning Services							
886001 Chief Planning Officer	$ 341,355	$ 363,700	$ 108,784	$ 363,300	$ (400)	-0.1%	$ 363,900
886100 Wastewater Analytics, Planning & Metering	1,181,004	1,584,400	331,945	1,874,600	290,200	18.3%	1,917,200
886101 Member Services	1,682,493	1,856,300	315,093	1,852,800	(3,500)	-0.2%	1,863,500
886201 Asset Management	2,614,167	2,596,000	689,054	3,031,600	435,600	16.8%	3,234,400
886401 Water Analytics, Planning & Metering	5,160,466	6,193,900	1,475,056	6,984,200	790,300	12.8%	7,076,100
886601 Capital Improvement Planning	3,437,532	4,636,200	1,156,338	3,599,000	(1,037,200)	-22.4%	2,704,600
Total Planning Services	14,417,017	17,230,500	4,076,270	17,705,500	475,000	2.8%	17,159,700
881301 System Resiliency	1,475,890	2,100,800	539,772	2,265,800	165,000	7.9%	2,273,300
882301 Systems Operations Control	16,841,725	13,990,900	3,305,932	12,104,900	(1,886,000)	-13.5%	13,553,500
882421 Facility Operations	13,019,117	12,105,100	2,596,883	10,656,200	(1,448,900)	-12.0%	9,621,300
882422 Fleet Operations	3,145,019	2,906,900	981,054	3,302,500	395,600	13.6%	3,343,200
882431 Field Service Operations	21,322,909	13,672,000	6,107,505	13,116,300	(555,700)	-4.1%	13,466,400
882411 Field Engineering	-	-	-	-	-	0.0%	-
882501 Energy, Research & Innovation	3,204,227	3,113,000	866,275	3,499,700	386,700	12.4%	3,900,400
882511 Transformation	605,892	442,200	75,325	470,700	28,500	6.4%	481,000
Information Technology							
883301 Office of the CIO	2,014,860	2,276,700	589,718	2,776,800	500,100	22.0%	2,840,600
883311 Info Technology Project Management Office	1,488,569	1,667,000	367,024	1,597,200	(69,800)	-4.2%	1,629,900
883321 Info Technology Service Delivery	4,052,362	5,772,500	990,293	5,424,700	(347,800)	-6.0%	5,499,600
883331 Info Technology Infrastructure	19,358,848	22,381,000	3,996,984	23,704,600	1,323,600	5.9%	24,171,400
883341 Info Technology Business Productivity Systems	4,448,289	5,298,300	807,084	5,161,400	(136,900)	-2.6%	5,262,500
883351 Info Technology Enterprise Asset Mgmt Systems	8,614,642	6,952,800	857,628	7,964,600	1,011,800	14.6%	8,161,800
883361 Info Technology Security & Risk	1,234,078	1,945,700	313,725	1,452,900	(492,800)	-25.3%	1,469,800
Total Information Technology	41,211,648	46,294,000	7,922,457	48,082,200	1,788,200	3.9%	49,035,600
Security & Integrity							
881201 Security and Integrity	5,355,400	5,790,000	1,412,487	5,630,400	(159,600)	-2.8%	5,763,600
881202 HazMat	1,851,877	2,115,100	510,538	2,023,800	(91,300)	-4.3%	2,030,200
881203 Office of Emergency	418,062	499,000	122,704	493,700	(5,300)	-1.1%	495,900
Total Security & Integrity	7,625,339	8,404,100	2,045,729	8,147,900	(256,200)	-3.0%	8,289,700
887602 Centralized Services Unallocated Reserve	-	-	-	4,077,100	4,077,100	100.0%	6,124,100
Grand Total	**$ 122,868,783**	**$ 120,259,500**	**$ 28,517,201**	**$ 123,428,800**	**$ 3,169,300**	**2.6%**	**$ 127,248,200**

C - Centralized Services Operating Area and Related Cost Centers – Five-Year Financial Plan

C Centralized Services by Cost Center	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Planning Services							
886001 Chief Planning Officer	$ 341,355	$ 363,700	$ 363,300	$ 363,900	$ 364,800	$ 365,300	$ 365,800
886100 Wastewater Analytics, Planning & Metering	1,181,004	1,584,400	1,874,600	1,917,200	1,916,200	3,111,900	3,252,100
886101 Member Services	1,682,493	1,856,300	1,852,800	1,863,500	1,879,200	1,879,900	1,880,600
886201 Asset Management	2,614,167	2,596,000	3,031,600	3,234,400	3,237,600	3,140,400	3,142,700
886401 Water Analytics, Planning & Metering	5,160,466	6,193,900	6,984,200	7,076,100	7,229,800	6,566,500	6,580,700
886601 Capital Improvement Planning	3,437,532	4,636,200	3,599,000	2,704,600	2,310,700	2,313,600	2,316,400
Total Planning Services	14,417,017	17,230,500	17,705,500	17,159,700	16,938,300	17,377,600	17,538,300
881301 System Resiliency	1,475,890	2,100,800	2,265,800	2,273,300	2,280,900	2,289,800	2,291,600
882301 Systems Operations Control	16,841,725	13,990,900	12,104,900	13,553,500	13,918,800	13,235,600	13,294,600
882421 Facility Operations	13,019,117	12,105,100	10,656,200	9,621,300	9,928,400	9,902,700	9,955,100
882422 Fleet Operations	3,145,019	2,906,900	3,302,500	3,343,200	3,394,200	3,427,500	3,440,600
882431 Field Service Operations	21,322,909	13,672,000	13,116,300	13,466,400	13,746,600	13,860,500	13,975,100
882501 Energy, Research & Innovation	3,204,227	3,113,000	3,499,700	3,900,400	3,862,200	3,953,300	3,954,500
882511 Transformation	605,892	442,200	470,700	481,000	500,800	502,400	503,200
Information Technology							
883301 Office of the CIO	2,014,860	2,276,700	2,776,800	2,840,600	2,905,400	2,935,700	2,966,700
883311 Info Technology Project Management Office	1,488,569	1,667,000	1,597,200	1,629,900	1,636,800	1,640,000	1,643,300
883321 Info Technology Service Delivery	4,052,362	5,772,500	5,424,700	5,499,600	5,575,500	5,652,600	5,730,900
883331 Info Technology Infrastructure	19,358,848	22,381,000	23,704,600	24,171,400	24,646,800	25,103,500	25,569,200
883341 Info Technology Business Productivity Systems	4,448,289	5,298,300	5,161,400	5,262,500	5,392,900	5,469,700	5,548,000
883351 Info Technology Enterprise Asset Mgmt Systems	8,614,642	6,952,800	7,964,600	8,161,800	8,385,200	8,506,300	8,629,600
883361 Info Technology Security & Risk	1,234,078	1,945,700	1,452,900	1,469,800	1,486,900	1,504,300	1,522,100
Total Information Technology	41,211,648	46,294,000	48,082,200	49,035,600	50,029,500	50,812,100	51,609,800
Security & Integrity							
881201 Security and Integrity	5,355,400	5,790,000	5,630,400	5,763,600	5,854,400	5,868,100	5,881,400
881202 HazMat	1,851,877	2,115,100	2,023,800	2,030,200	2,051,600	2,058,100	2,064,600
881203 Office of Emergency Preparedness	418,062	499,000	493,700	495,900	498,100	500,400	502,700
Total Security & Integrity	7,625,339	8,404,100	8,147,900	8,289,700	8,404,100	8,426,600	8,448,700
887602 Centralized Services Unallocated Reserve	-	-	4,077,100	6,124,100	8,127,000	9,912,900	11,713,500
Grand Total	**$ 122,868,783**	**$ 120,259,500**	**$ 123,428,800**	**$ 127,248,200**	**$ 131,130,800**	**$ 133,701,000**	**$ 136,725,000**

D - Administrative Services Operating Area and Related Cost Centers – Biennial Budget

D Administrative Services by Cost Center	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
881151 Board of Directors	$ 154,240	$ 162,000	$ 57,111	$ 165,200	$ 3,200	2.0%	$ 165,200
881001 Chief Executive Officer	845,365	785,700	234,357	792,000	6,300	0.8%	796,900
Chief Administrative and Compliance Officer							
883001 Chief Administrative Officer	1,198,629	2,170,300	283,171	1,727,700	(442,600)	-20.4%	1,743,500
883401 Enterprise Risk Management and Safety	1,372,507	2,073,300	574,431	1,919,000	(154,300)	-7.4%	2,076,000
883411 Enterprise Risk Management Insurance Fund	6,665,280	6,252,200	1,593,728	6,798,600	546,400	8.7%	6,934,600
Total Chief Administrative and Compliance Officer	9,236,416	10,495,800	2,451,330	10,445,300	(50,500)	-0.5%	10,754,100
883101 General Counsel	4,325,428	3,916,200	1,783,852	4,760,800	844,600	21.6%	4,825,700
881101 Public Affairs	1,724,837	1,997,400	467,972	2,139,000	141,600	7.1%	2,191,600
Organizational Development							
883201 Organizational Development Administration	775,083	927,200	245,502	971,200	44,000	4.7%	994,500
883211 Organizational Development Talent Management	2,834,281	3,562,200	737,728	3,482,400	(79,800)	-2.2%	3,737,500
883231 Organizational Development Training	2,002,281	2,241,600	674,932	2,252,500	10,900	0.5%	2,295,900
Total Organizational Development	5,611,645	6,731,000	1,658,162	6,706,100	(24,900)	-0.4%	7,027,900
Financial Services							
884001 Chief Financial Officer	2,351,768	1,483,600	625,093	1,323,900	(159,700)	-10.8%	1,326,000
884111 Financial Reporting & Accounting	3,494,346	3,696,200	1,000,634	3,751,000	54,800	1.5%	3,780,500
884113 Financial Management & Planning	2,042,671	2,288,000	581,457	2,169,100	(118,900)	-5.2%	2,172,900
884121 Procurement Director	3,947,218	4,379,100	1,065,819	4,326,300	(52,800)	-1.2%	4,438,700
884124 Logistics and Materials	3,059,006	3,368,900	905,284	3,637,900	269,000	8.0%	3,665,500
884131 Treasury	674,134	980,300	203,744	937,800	(42,500)	-4.3%	946,100
884141 CFO Services	2,515,917	2,844,400	726,274	2,935,400	91,000	3.2%	3,016,400
Total Financial Services	18,085,060	19,040,500	5,108,305	19,081,400	40,900	0.2%	19,346,100
887603 Administrative Services Unallocated Reserve	-	-	-	1,507,500	1,507,500	0.0%	2,555,100
Grand Total	**$ 39,982,991**	**$ 43,128,600**	**$ 11,761,089**	**$ 45,597,300**	**$ 2,468,700**	**5.7%**	**$ 47,662,600**

D - Administrative Services Operating Area and Related Cost Centers – Five-Year Financial Plan

D Administrative Services by Cost Center	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
881151 Board of Directors	$ 154,240	$ 162,000	$ 165,200	$ 165,200	$ 165,200	$ 165,200	$ 165,200
881001 Chief Executive Officer	845,365	785,700	792,000	796,900	799,500	806,400	809,900
Chief Administrative and Compliance Officer							
883001 Chief Administrative Officer	1,198,629	2,170,300	1,727,700	1,743,500	1,893,400	1,910,000	1,926,900
883401 Enterprise Risk Management and Safety	1,372,507	2,073,300	1,919,000	2,076,000	2,287,500	2,313,300	2,339,500
883411 Enterprise Risk Management Insurance Fund	6,665,280	6,252,200	6,798,600	6,934,600	7,073,300	7,214,800	7,359,100
Total Chief Administrative and Compliance Officer	9,236,416	10,495,800	10,445,300	10,754,100	11,254,200	11,438,100	11,625,500
883101 General Counsel	4,325,428	3,916,200	4,760,800	4,825,700	4,892,000	4,959,600	5,028,400
881101 Public Affairs	1,724,837	1,997,400	2,139,000	2,191,600	2,237,600	2,258,400	2,272,600
Organizational Development							
883201 Organizational Development Administration	775,083	927,200	971,200	994,500	1,018,100	1,025,100	1,032,100
883211 Organizational Development Talent Management	2,834,281	3,562,200	3,482,400	3,737,500	4,043,300	4,069,100	4,095,100
883231 Organizational Development Training	2,002,281	2,241,600	2,252,500	2,295,900	2,348,900	2,365,500	2,382,200
Total Organizational Development	5,611,645	6,731,000	6,706,100	7,027,900	7,410,300	7,459,700	7,509,400
Financial Services							
884001 Chief Financial Officer	2,351,768	1,483,600	1,323,900	1,326,000	1,328,200	1,332,000	1,333,800
884111 Financial Reporting & Accounting	3,494,346	3,696,200	3,751,000	3,780,500	3,834,300	3,855,600	3,864,900
884113 Financial Management & Planning	2,042,671	2,288,000	2,169,100	2,172,900	2,178,800	2,182,600	2,186,200
884121 Procurement Director	3,947,218	4,379,100	4,326,300	4,438,700	4,529,200	4,542,500	4,555,900
884124 Logistics and Materials	3,059,006	3,368,900	3,637,900	3,665,500	3,693,700	3,722,200	3,748,800
884131 Treasury	674,134	980,300	937,800	946,100	949,200	946,300	948,300
884141 CFO Services	2,515,917	2,844,400	2,935,400	3,016,400	3,014,700	3,033,200	3,034,100
Total Financial Services	18,085,060	19,040,500	19,081,400	19,346,100	19,528,100	19,614,400	19,672,000
887603 Administrative Services Unallocated Reserve	-	-	1,507,500	2,555,100	3,653,000	4,765,600	5,762,500
Grand Total	**$ 39,982,991**	**$ 43,128,600**	**$ 45,597,300**	**$ 47,662,600**	**$ 49,939,900**	**$ 51,467,400**	**$ 52,845,500**

Departmental Introduction

Following this introduction is a section for each of the service areas of the Operations & Maintenance budget. Each service area section begins with an overview of that service area's budget by expense category followed by the budgets of each department within that service area. The overview table provides a comparison to both the FY 2026 Adopted and Amended budget. The individual departments within the service area tables provide a comparison to the FY 2026 Amended budget. This is to provide a comparison of what the proposed budget is compared to where costs are projected to be for the current year.

The departmental information is presented in the following order:

- Description of the department
- Strategic initiatives
- Major contracts (if applicable)
- Organization (Teams)
- Expense Categories
- Biennial Budget
- Personnel Budget*
- Five-Year Financial Plan (by expense category)
- Capital Outlay**
- Line-Item Budget and Financial Plan (five-year plan)

* Personnel costs are classified into five expense categories:

2.1 Salaries & Wages is the budget line item used for regular team members
2.2 Workforce Development is the budget line item for apprentices and interns
2.3 Overtime
2.4 Employee Benefits include fringe benefit costs for regular team members, apprentices, and interns which vary depending on employment type
2.5 Transition Services is the budget line item for positions filled with use of contractual and/or temp to hire to perform work that would typically be performed by a regular team member according to the staffing plan

**The Capital Outlay information provided is for Capital Outlay items greater than $5,000 and is discussed in more detail in Section 6. Capital Outlay funded with I&E funds is not included in the department's operating budget. Capital Outlay funded with O&M funds is reported under the expense category *4.2 Supplies and Other* in the department's operating budget.

Section 5A

Water System Operations

Water System Operations

The Water System Operations area consists of the following departments:

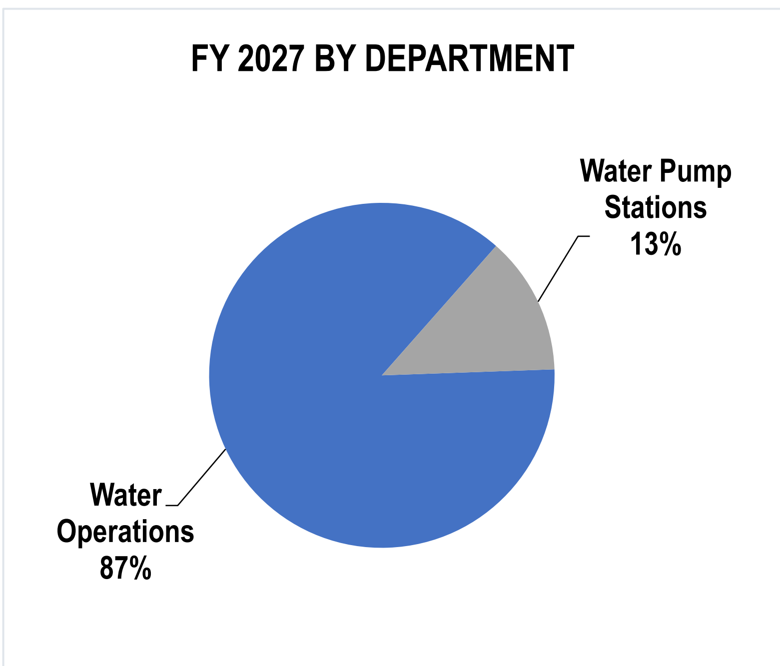
- Water Operations
- Water Pump Stations

The detailed budget requests for each department are included in this section.

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Water Systems Operations area with comparison to both the FY 2026 Adopted and Amended Budget.

The allocation of the centralized and administrative services to the Water Systems Operations area, as shown in the Centralized Services Overview (Section 5C) and Administrative Services Overview (Section 5D), has been included in the tables below to support the Operations & Maintenance Expense line item as shown in Section 2 - Core Financial Plan Schedules 1 and 6.



Biennial Budget Request by Expense Category

	FY 2025	FY 2026			FY 2027					FY 2028
		Adopted	Amended	Activity as of	Proposed	Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed
Expense Category	Actual	Budget	Budget	09.30.2025	Budget	Adopted	Amended	Adopted	Amended	Budget
2.1 Salaries & Wages	16,573,568	16,229,200	17,160,600	4,874,890	**18,708,000**	**2,478,800**	**1,547,400**	**15.3%**	**9.0%**	19,237,800
2.2 Workforce Development	1,265,759	1,471,600	1,484,100	272,334	**1,069,300**	**(402,300)**	**(414,800)**	**-27.3%**	**-27.9%**	1,215,900
2.3 Overtime	3,553,908	2,803,900	2,804,000	1,017,161	**3,544,300**	**740,400**	**740,300**	**26.4%**	**26.4%**	3,592,200
2.4 Employee Benefits	6,705,937	6,516,600	6,670,000	1,997,319	**7,252,200**	**735,600**	**582,200**	**11.3%**	**8.7%**	7,576,100
Total Personnel Costs	28,099,172	27,021,300	28,118,700	8,161,704	**30,573,800**	**3,552,500**	**2,455,100**	**13.1%**	**8.7%**	31,622,000
3.1 Electric	28,294,276	31,706,300	32,234,300	7,472,597	**31,016,000**	**(690,300)**	**(1,218,300)**	**-2.2%**	**-3.8%**	31,541,900
3.2 Gas	1,353,404	1,191,600	1,191,600	42,383	**1,181,200**	**(10,400)**	**(10,400)**	**-0.9%**	**-0.9%**	1,196,100
3.3 Sewage Service	1,021,932	768,400	768,400	144,568	**826,400**	**58,000**	**58,000**	**7.5%**	**7.5%**	838,400
3.4 Water Service	1,358	2,500	2,500	393	**2,500**	**-**	**-**	**0.0%**	**0.0%**	2,500
Total Utility Costs	30,670,970	33,668,800	34,196,800	7,659,941	**33,026,100**	**(642,700)**	**(1,170,700)**	**-1.9%**	**-3.4%**	33,578,900
4.1 Chemicals	14,111,804	14,904,300	14,904,300	3,285,109	**14,906,600**	**2,300**	**2,300**	**0.0%**	**0.0%**	15,303,900
4.2 Supplies & Other	6,654,304	6,117,900	6,117,900	1,963,620	**7,047,900**	**930,000**	**930,000**	**15.2%**	**15.2%**	6,527,100
4.3 Contractual Services	15,151,723	19,295,100	19,295,100	4,765,137	**16,496,600**	**(2,798,500)**	**(2,798,500)**	**-14.5%**	**-14.5%**	15,373,700
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(1,619,900)	(415,272)	**(1,819,900)**	**(200,000)**	**(200,000)**	**12.3%**	**12.3%**	(735,800)
7.0 Unallocated Reserve	-	2,113,200	487,900	-	**3,422,800**	**1,309,600**	**2,934,900**	**62.0%**	**601.5%**	5,898,900
Total Other Categories	34,424,853	40,810,600	39,185,300	9,598,595	**40,054,000**	**(756,600)**	**868,700**	**-1.9%**	**2.2%**	42,367,800
Total Water System Operations (Operating Area A)	**$ 93,194,995**	**$ 101,500,700**	**$ 101,500,800**	**$ 25,420,240**	**103,653,900**	**2,153,200**	**2,153,100**	**2.1%**	**2.1%**	**$ 107,568,700**
Allocations										
Centralized Services	63,779,190	61,003,500	62,787,600	15,351,360	**68,818,700**	**7,815,200**	**6,031,100**	**12.8%**	**2.6%**	71,078,400
Administrative Services	18,431,448	19,951,800	19,972,300	5,583,024	**21,090,800**	**1,139,000**	**1,118,500**	**5.7%**	**5.7%**	22,089,500
Total Allocations	**$ 82,210,638**	**$ 80,955,300**	**$ 82,759,900**	**$ 20,934,384**	**$ 89,909,500**	**$ 8,954,200**	**$ 7,149,600**	**11.1%**	**8.6%**	**$ 93,167,900**
Total Water System Operations & Maintenance Expense	**$ 175,405,633**	**$ 182,456,000**	**$ 184,260,700**	**$ 46,354,624**	**$ 193,563,400**	**$ 11,107,400**	**$ 9,302,700**	**6.1%**	**5.0%**	**$ 200,736,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Adopted Budget FY 2026	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 16,573,568	16,229,200	$ 17,160,600	**$ 18,708,000**	$ 19,237,800	$ 19,722,500	$ 19,722,500	$ 19,722,500
2.2 Workforce Development	1,265,759	1,471,600	1,484,100	**1,069,300**	1,215,900	1,389,400	1,389,400	1,389,400
2.3 Overtime	3,553,908	2,803,900	2,804,000	**3,544,300**	3,592,200	3,633,900	3,633,900	3,633,900
2.4 Employee Benefits	6,705,937	6,516,600	6,670,000	**7,252,200**	7,576,100	7,890,200	7,953,200	8,016,200
Total Personnel Costs	28,099,172	27,021,300	28,118,700	**30,573,800**	31,622,000	32,636,000	32,699,000	32,762,000
3.1 Electric	28,294,276	31,706,300	32,234,300	**31,016,000**	31,541,900	32,076,300	32,613,600	32,976,600
3.2 Gas	1,353,404	1,191,600	1,191,600	**1,181,200**	1,196,100	1,213,300	1,232,000	1,245,000
3.3 Sewage Service	1,021,932	768,400	768,400	**826,400**	838,400	850,500	862,600	874,600
3.4 Water Service	1,358	2,500	2,500	**2,500**	2,500	2,500	2,500	2,500
Total Utility Costs	30,670,970	33,668,800	34,196,800	**33,026,100**	33,578,900	34,142,600	34,710,700	35,098,700
4.1 Chemicals	14,111,804	14,904,300	14,904,300	**14,906,600**	15,303,900	15,303,900	15,303,900	15,303,900
4.2 Supplies & Other	6,654,304	6,117,900	6,117,900	**7,047,900**	6,527,100	6,496,700	6,658,900	6,480,600
4.3 Contractual Services	15,151,723	19,295,100	19,295,100	**16,496,600**	15,373,700	14,214,300	14,155,900	14,681,600
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(1,619,900)	**(1,819,900)**	(735,800)	(729,900)	(756,600)	(759,500)
7.0 Unallocated Reserve	-	2,113,200	487,900	**3,422,800**	5,898,900	8,249,600	10,336,100	12,432,000
Total Other Categories	34,424,853	40,810,600	39,185,300	**40,054,000**	42,367,800	43,534,600	45,698,200	48,138,600
Total Water System Operations (Operating Area A)	**$ 93,194,995**	**$ 101,500,700**	**$ 101,500,800**	**$ 103,653,900**	**$ 107,568,700**	**$ 110,313,200**	**$ 113,107,900**	**$ 115,999,300**
Allocations								
Centralized Services	63,779,190	61,003,500	62,787,600	**68,818,700**	71,078,400	73,071,900	73,119,800	74,621,300
Administrative Services	18,431,448	19,951,800	19,972,300	**21,090,800**	22,089,500	23,193,300	23,921,400	24,573,900
Total Allocations	**$ 82,210,638**	**$ 80,955,300**	**$ 82,759,900**	**$ 89,909,500**	**$ 93,167,900**	**$ 96,265,200**	**$ 97,041,200**	**$ 99,195,200**
Total Water System Operations & Maintenance Expense	**$ 175,405,633**	**$ 182,456,000**	**$ 184,260,700**	**$ 193,563,400**	**$ 200,736,600**	**$ 206,578,400**	**$ 210,149,100**	**$ 215,194,500**
Changes in Annual Operations & Maintenance Budget				*6.1%*	*3.7%*	*2.9%*	*1.7%*	*2.4%*

Water Operations
The Water Operations area produces and delivers water of unquestionable quality to nearly 40% of the State of Michigan's population while meeting or exceeding all state, federal, local, and organizational standards for quality and safety.

Strategic Initiatives

- **Maintain 100% water quality compliance (Ongoing)**
  Delivery of pure, safe drinking water is essential to GLWA's mission. A KPI is reported monthly to management of the percent compliance with the Safe Drinking Water Act.
- **Restructuring Water Production (Ongoing)**
  Continue implementation of the 2015 Water Master Plan Update; specifically, those aspects which address excess production capacity.
- **Maintain Capital Project Delivery (Ongoing)**
  Sustain water treatment operations and transmission by effective and efficient delivery of capital investments.
- **Transmission Assessment & Rehabilitation (Ongoing)**
  Continue to assist in the program design for the rehabilitation of water mains.
- **Improve Operational Reliability through Automation & Equipment Maintenance (Ongoing)**
  - Implement water automation within all facilities.
  - Improve maintenance of equipment using updated asset management initiatives. GLWA has implemented an Enterprise Asset Management (EAM) system which will streamline access to asset data by moving from paper to digital mobility. It will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance. It will drive asset decision-making using risk and lowest lifecycle cost approaches for doing the right work at the right time on the right assets.

The Partnership for Safe Water (PSW) is a voluntary utility program for water treatment plant and distribution system optimization. GLWA has been a member of the PSW since 2000. Lake Huron, Northeast and Southwest received the Phase III 15 Year Directors Award in 2021 in recognition of their commitment to superior water quality. Water Works Park was awarded the Directors Award in 2019. In addition, Water Works Park received the highly prestigious President's Award from PSW in the year 2020 and Southwest received the President's Award in the year 2023.

The table on the following page shows how the water operations area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Water Operations Strategic Initiatives	Maintain 100% water quality compliance			x				x				x
	Restructuring Water Production			x	x	x						x
	Maintain Capital Project Delivery			x	x							x
	Transmission Assessment & Rehabilitation			x	x							x
	Improve Operational Reliability through Automation and Equipment Maintenance	x	x	x	x	x						x

Water Operations Contracts

The Water Operations budget contains several contractual services to ensure system reliability, timely distribution and delivery of high-quality and safe water that complies with drinking water regulations. The following tables have the key contracts and purchase orders for the Water Operations area. Expired contracts are not presented. Budgeted amounts beyond contract dates are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process. It should be noted that several contracts are shared by multiple areas of GLWA.

Significant Contracts

Project Description	Cyber Security and Ovation, Instrumentation & Controls Upgrades and Updates	Alum Sludge Hauling	Specilaized Services - Staff Augmentation Contract	Switchgear Maintenance & Testing Services	Standby Generator Preventative Maintenance & Repair Contract	Total Significant Contracts
Prime Consultant	Emerson Process Management	American Process Group, LLC	Lakeshore Global, Inc.	Motor City Electric	Preventive Maintenance Technologies	
Contract #	2101167	GLWA-CON-170	2401236	1900995	2001082	
Workday Contract #	SCN-0000347	SCN-0000748	SCN-0000550	SCN-0000099	SCN-0000145	
Contract Amount	$5,957,667	$18,103,671	$3,183,924	$9,702,373	$2,217,490	
Contract End Date	3/12/2026	2/8/2030	1/31/2027	7/25/2026	5/29/2027	
Cost Center Name	Water Plants	Water Plants (3)	Water Plants	Water Plants	Water Plants	
Expense Category	Contractual Services / Capital Outlay	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2025 Spend	$ 279,352	$ -	$ -	$ 3,513,496	$ 712,038	
Pre-FY 2025 Average Spend	$ 139,676	$ -	$ -	$ 878,374	$ 203,440	
FY 2025 Actual	1,273,675	-	609,208	739,925	240,699	2,863,507
FY 2026 Amended	1,034,100	-	2,023,800	1,070,700	205,000	4,333,600
FY 2027	**1,034,100**	**5,580,243**	**1,607,000**	**863,000**	**251,400**	**9,335,743**
FY 2028	-	5,605,940	1,607,000	863,000	251,400	8,327,340
FY 2029	-	4,525,719	1,607,000	863,000	251,400	7,247,119
FY 2030	-	2,391,769	1,607,000	863,000	251,400	5,113,169
FY 2031	-	-	1,607,000	863,000	251,400	2,721,400
Total	**$ 3,621,227**	**$ 18,103,671**	**$ 10,668,008**	**$ 9,639,121**	**$ 2,414,737**	**$ 39,941,878**

Significant Contracts/Purchase Orders Chemicals

Project Description	Hydrofluorosilicic Acid	Aluminum Sulfate	Liquid Chlorine	Phosphoric Acid	Liquid Oxygen	Total Significant Chemical Contracts
Prime Vendor	Univar Pencco	Chemtrade Chemicals PVS	JCI Jones Chemicals Pencco	Aqua Smart PVS	Metro Welding	
Contract #	Purchase Order	Purchase Order	Purchase Order	Purchase Order	Purchase Order	
Cost Center Name	Water Plants	Water Plants	Water Plants	Water Plants	Water Plants	
Expense Category	Chemicals - Hydrofluorosilicic Acid	Chemicals - Aluminum Sulfate	Chemicals - Liquid Chlorine	Chemicals - Phosphoric Acid	Chemicals - Liquid Oxygen	
Pre-FY 2025 Spend	$ 9,540,739	$ 20,934,207	$ 8,298,544	$ 8,582,425	$ 588,050	
FY 2025 Actual	1,317,722	5,701,260	3,620,358	1,936,168	143,406	12,718,913
FY 2026 Amended	1,391,000	4,320,000	3,588,500	4,130,000	61,000	13,490,500
FY 2027	**797,700**	**6,102,600**	**3,888,400**	**2,191,300**	**119,300**	**13,099,300**
FY 2028	819,400	6,276,600	4,001,300	2,247,800	121,100	13,466,200
FY 2029	819,400	6,276,600	4,001,300	2,247,800	121,100	13,466,200
FY 2030	819,400	6,276,600	4,001,300	2,247,800	121,100	13,466,200
FY 2031	819,400	6,276,600	4,001,300	2,247,800	121,100	13,466,200
Total	**$ 6,784,022**	**$ 41,230,260**	**$ 27,102,458**	**$ 17,248,668**	**$ 808,106**	**$ 93,173,513**

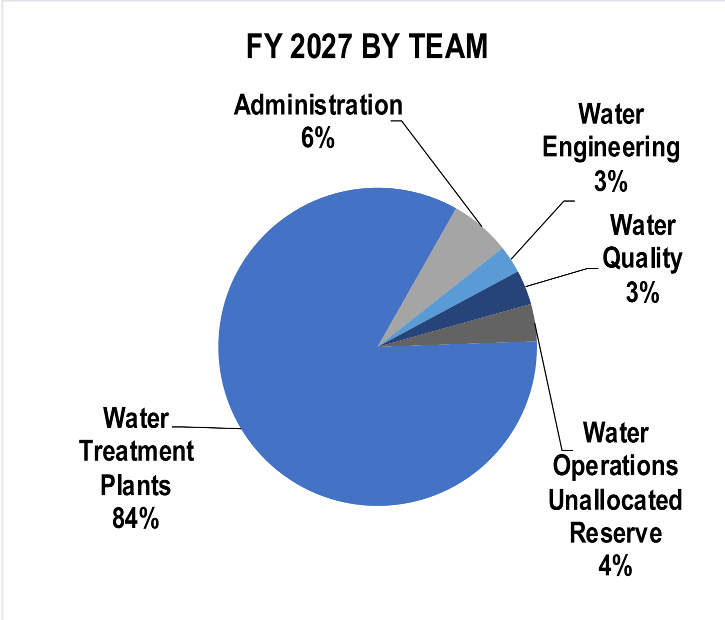
See Chemicals under Section 6 Supplemental Analysis for specific details.

Task order Contracts

As a part of the delivery of services for Water Operations, three types of task-oriented contracts have been executed that have multiple pre-qualified vendors for specific tasks. These contracts, known as task-order contracts, are designed to reduce the time in the procurement process. These task-oriented contracts are grouped into three key segments: Job Order Contract (Operations and Maintenance), Task Order Engineering Services (Operations and Maintenance as well as Capital Projects), and Instrumentation and Control Maintenance Services (Operations and Maintenance as well as Capital Projects). Each segment contains multiple vendors who can compete for projects within their segment. The expenditure for any project, or task, is controlled by the budget for the area for which that task is requested.

Organization
The Water Operations Area consists of four teams that are vigilant about water quality. The Water Operations teams work to protect GLWA communities by testing water as it travels through distribution pipelines and maintaining the best water treatment possible.

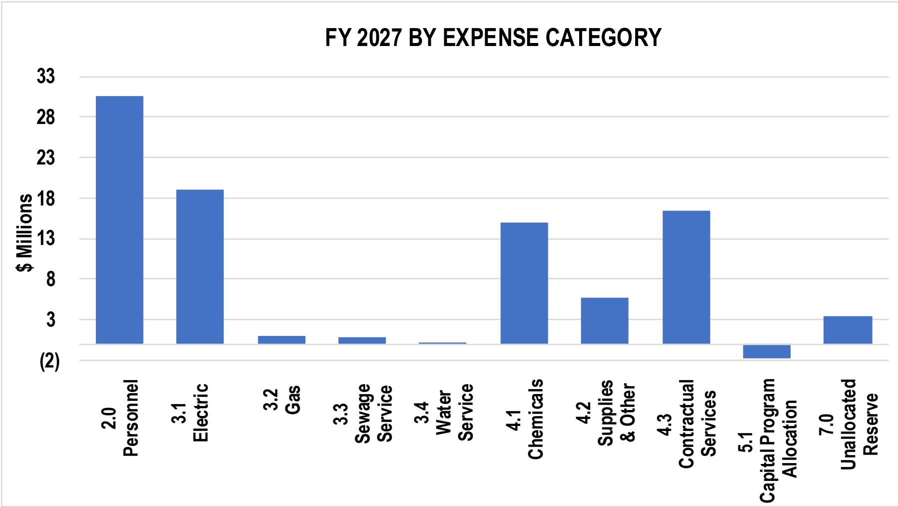
- **Administration**
  - Chief Operating Officer – Water Operations and Field Services
  - Water Director
  - Overall budget management including unallocated reserve
- **Water Treatment Plants (WTP)**
  - Water Works Park
  - Springwells WTP
  - Northeast WTP
  - Southwest WTP
  - Lake Huron WTP
- **Water Engineering**
- **Water Quality**
- **Water System Operations Unallocated** – Funds not apportioned for a specific purpose used for significant unexpected or unbudgeted expenditures.



Expense Categories
There are four major expense categories related to Water Operations in the operations and maintenance budget as listed below:

- Personnel
- Electric Utilities
- Contractual Services
- Chemicals

The Water Operations Area is required to have a consistent level of personnel in order to avoid staff fatigue, overtime cost, and to ensure the highest level of water quality. Accordingly, personnel costs are the highest expense category.



Electric utility costs represent the second highest expense category for Water Operations. Water demand leads to increased or decreased energy consumption to transport safe drinking water to the GLWA's communities. Energy consumption is dependent on flow rate, total pressure, climate (temperature extremes), and overall pump efficiency.

Contractual services represent the third highest expense category for Water Operations. This includes alum sludge removal and hauling, innovative control system that integrates data from remote sites, HVAC maintenance, and janitorial services.

Chemicals are the fourth highest expense category for Water Operations.

Biennial Budget Request

The discussion below compares the FY 2027 budget to the FY 2026 amended budget. The first quarter FY 2026 budget amendments had a net zero impact on the Water Operations and Maintenance budget as the unallocated expense category was reduced to offset the increases made to other expense categories.

The FY 2027 biennial budget reflects an overall increase of $1.8 million, or 2.0% from FY 2026 amended budget. Key factors that drive the increase in FY 2027 include:

- Personnel increased $2.5 million or 8.7% is attributed to pay rate increases related to market adjustments and merit increases.
- Contractual Services decreased $2.8 million or 14.5% primarily due to the new sludge removal and hauling contract.
- Utilities decreased $1.4 million or 6.4% mainly in electrical costs which was based on the annual trending.
- Chemicals (bulk) are stable due to lower forecast volume of orthophosphate and more stabilized market prices. The annual budget is based on projected operational volume for an average year. Projected volume excludes abnormal usage caused by demand changes and condition of source water. Additional information is discussed in Section 6 – Bulk Chemicals.
- Supplies & Other increased $0.8 million or 16.5% due to the recategorization of non-bulk chemicals for water laboratories from chemicals to laboratory supplies.
- The unallocated reserve is set aside for unexpected expenditures that occur after the budget is adopted. The first quarter budget amendment for FY 2026 utilized $1.6 million of the original $2.1 million adopted for annual wage increases in July and increased utility costs. This expense category when compared to the original adopted budget increased by $1.3 million. The unallocated reserve has been fully utilized in previous years to offset budget amendments needed in other expense categories, therefore the need to increase this expense category for unknown items when the budget is adopted.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 28,099,172	$ 28,118,600	$ 8,161,704	**$ 30,573,800**	**$ 2,455,200**	**8.7%**	$ 31,622,000
3.1 Electric	16,677,674	20,458,000	4,125,739	**19,000,000**	**(1,458,000)**	**-7.1%**	19,286,000
3.2 Gas	1,199,350	1,081,000	36,928	**1,058,000**	**(23,000)**	**-2.1%**	1,070,000
3.3 Sewage Service	1,019,065	760,000	143,804	**818,000**	**58,000**	**7.6%**	830,000
3.4 Water Service	969	1,500	222	**1,500**	**-**	**0.0%**	1,500
4.1 Chemicals	14,111,804	14,904,300	3,285,109	**14,906,600**	**2,300**	**0.0%**	15,303,900
4.2 Supplies & Other	5,143,786	4,961,700	1,815,045	**5,781,800**	**820,100**	**16.5%**	5,249,100
4.3 Contractual Services	15,131,923	19,295,100	4,765,137	**16,496,600**	**(2,798,500)**	**-14.5%**	15,373,700
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	(415,272)	**(1,819,900)**	**(200,000)**	**12.3%**	(735,800)
7.0 Unallocated Reserve	-	487,900	-	**3,422,800**	**2,934,900**	**601.5%**	5,898,900
Grand Total	**$ 79,890,765**	**$ 88,448,200**	**$ 21,918,417**	**$ 90,239,200**	**$ 1,791,000**	**2.0%**	**$ 93,899,300**

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Administration	$ 5,015,279	$ 5,197,300	$ 1,268,013	**$ 5,554,000**	**$ 356,800**	**6.9%**	$ 4,681,300
Water Treatment Plants	2,302,101	2,201,800	624,936	**2,526,600**	**324,700**	**14.7%**	3,718,700
Water Engineering	2,912,159	2,838,700	845,793	**3,159,800**	**321,100**	**11.3%**	3,205,300
Water Quality	69,661,226	77,722,500	19,179,675	**75,576,000**	**(2,146,500)**	**-2.8%**	76,395,100
Water Operations Unallocated Reserve	-	487,900	-	**3,422,800**	**2,934,900**	**601.5%**	5,898,900
Grand Total	**$ 79,890,765**	**$ 88,448,200**	**$ 21,918,417**	**$ 90,239,200**	**$ 1,791,000**	**2.0%**	**$ 93,899,300**

Personnel Budget

The water operations staffing plan consists of 253 regular positions, 32 apprentice positions and 6 interns. Staffing at the five water treatment plants (201 positions) is the largest area. Water engineering (32 positions) and water quality (31 positions) are the second and third largest areas. Reclassing of positions occurs on an ongoing basis. Excluding interns, the number of staffing positions increased by one position. The water treatment plant staffing positions increased by five due to critical staffing needs within the water plants. This includes three SCADA Technicians, a team leader and one management professional position, which is offset by the reduction of four positions within water engineering.

Staffing Plan - The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan						
Team Member Type	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular	**254.00**	**249.00**	**253.00**	**253.00**	**253.00**	**253.00**	**253.00**
COO - Water Operations & Field Services	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Water Director	14.00	16.00	16.00	16.00	16.00	16.00	16.00
Water Engineering	44.00	33.00	29.00	29.00	29.00	29.00	29.00
Water Quality	29.00	31.00	31.00	30.00	30.00	30.00	30.00
Water Works Park	33.00	33.00	37.00	37.00	37.00	37.00	37.00
Springwells Water Plant	32.00	32.00	33.00	33.00	33.00	33.00	33.00
Northeast Water Plant	31.00	31.00	32.00	32.00	32.00	32.00	32.00
Southwest Water Plant	31.00	31.00	32.00	33.00	33.00	33.00	33.00
Lake Huron Water Plant	32.00	33.00	34.00	34.00	34.00	34.00	34.00
Apprentice	**33.00**	**35.00**	**32.00**	**32.00**	**32.00**	**32.00**	**32.00**
Water Director	-	2.00	2.00	2.00	2.00	2.00	2.00
Water Works Park	9.00	9.00	8.00	8.00	8.00	8.00	8.00
Springwells Water Plant	7.00	7.00	5.00	5.00	5.00	5.00	5.00
Northeast Water Plant	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Southwest Water Plant	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Lake Huron Water Plant	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Intern	**-**	**4.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**
Water Engineering		1.00	3.00	3.00	3.00	3.00	3.00
Water Works Park		2.00	2.00	2.00	2.00	2.00	2.00
Lake Huron Water Plant		1.00	1.00	1.00	1.00	1.00	1.00
Grand Total	**287.00**	**288.00**	**291.00**	**291.00**	**291.00**	**291.00**	**291.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (includes interns)

		Full Time Equivalents (FTEs)						
Operating Area and Team	**Cost Center**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Water Systems Operations		**252.00**	**247.75**	**255.75**	**267.00**	**278.50**	**278.50**	**278.50**
COO - Water Operations & Field Services	882001	7.25	8.25	8.25	8.50	8.75	8.75	8.75
Water Director	882101	13.25	15.50	18.00	18.00	18.00	18.00	18.00
Water Engineering	882111	26.00	22.50	25.25	27.00	28.50	28.50	28.50
Water Quality	882121	28.50	28.50	30.25	30.50	30.50	30.50	30.50
Subtotal Water Treatment Plants		**177.00**	**173.00**	**174.00**	**183.00**	**192.75**	**192.75**	**192.75**
Water Works Park	882131	36.75	37.00	39.50	42.00	44.75	44.75	44.75
Springwells Water Plant	882141	35.25	35.25	32.75	34.50	36.25	36.25	36.25
Northeast Water Plant	882151	34.75	34.75	33.50	35.00	36.75	36.75	36.75
Southwest Water Plant	882161	35.50	31.00	32.00	34.00	36.25	36.25	36.25
Lake Huron Water Plant	882171	34.75	35.00	36.25	37.50	38.75	38.75	38.75

Personnel Budget - The following tables present the Water Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by the five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in category 7.0 Unallocated Reserve as shown in the Five-Year Financial Plan that follows this section.

Personnel - Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 16,573,568	$ 17,160,500	$ 4,874,890	**$ 18,708,000**	**$ 1,547,500**	**9.0%**	$ 19,237,800
2.2 Workforce Development	1,265,759	1,484,100	272,334	**1,069,300**	**(414,800)**	**-27.9%**	1,215,900
2.3 Overtime	3,553,908	2,804,000	1,017,161	**3,544,300**	**740,300**	**26.4%**	3,592,200
2.4 Employee Benefits	6,705,937	6,670,000	1,997,319	**7,252,200**	**582,200**	**8.7%**	7,576,100
Grand Total	**$ 28,099,172**	**$ 28,118,600**	**$ 8,161,704**	**$ 30,573,800**	**$ 2,455,200**	**8.7%**	**$ 31,622,000**

Personnel – Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Administration	$ 3,306,075	$ 3,408,200	$ 1,036,027	**$ 3,744,400**	**$ 336,200**	**9.9%**	$ 3,796,300
Water Treatment Plants	19,402,369	18,865,600	5,340,438	**20,234,200**	**1,368,600**	**7.3%**	20,986,600
Water Engineering	2,883,920	3,362,300	1,025,499	**3,805,800**	**443,500**	**13.2%**	4,013,700
Water Quality	2,506,808	2,482,500	759,741	**2,789,400**	**306,900**	**12.4%**	2,825,400
Grand Total	**$ 28,099,172**	**$ 28,118,600**	**$ 8,161,704**	**$ 30,573,800**	**$ 2,455,200**	**8.7%**	**$ 31,622,000**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 16,573,568	$ 17,160,500	**$ 18,708,000**	$ 19,237,800	$ 19,722,500	$ 19,722,500	$ 19,722,500
2.2 Workforce Development	1,265,759	1,484,100	**1,069,300**	1,215,900	1,389,400	1,389,400	1,389,400
2.3 Overtime	3,553,908	2,804,000	**3,544,300**	3,592,200	3,633,900	3,633,900	3,633,900
2.4 Employee Benefits	6,705,937	6,670,000	**7,252,200**	7,576,100	7,890,200	7,953,200	8,016,200
Grand Total	**$ 28,099,172**	**$ 28,118,600**	**$ 30,573,800**	**$ 31,622,000**	**$ 32,636,000**	**$ 32,699,000**	**$ 32,762,000**

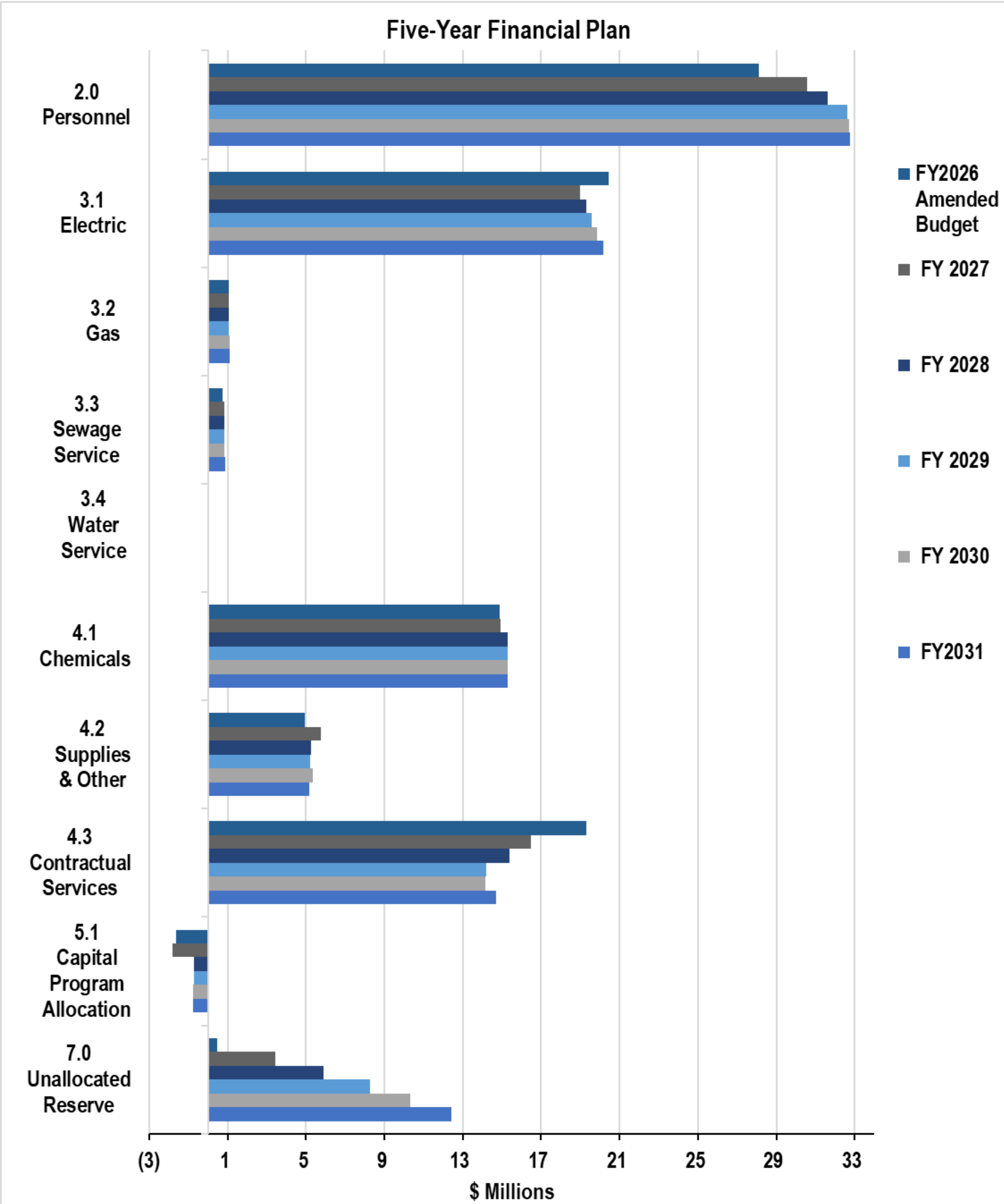
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Water System Operations	**$ 8,696,803**	**$ 9,253,100**	**$ 10,339,600**	**$ 10,635,400**	**$ 10,842,600**	**$ 10,862,000**	**$ 10,881,300**
Chief Operating Officer - Water Operations & Field Services	1,201,839	1,284,600	1,321,900	1,369,600	1,417,900	1,419,900	1,421,900
Water Director	2,104,236	2,123,700	2,422,500	2,426,700	2,430,800	2,435,000	2,439,100
Water Engineering	2,883,920	3,362,300	3,805,800	4,013,700	4,165,800	4,172,000	4,178,200
Water Quality	2,506,808	2,482,500	2,789,400	2,825,400	2,828,100	2,835,100	2,842,100
Subtotal Water Treatment Plant	**19,402,369**	**18,865,500**	**20,234,200**	**20,986,600**	**21,793,400**	**21,837,000**	**21,880,700**
Water Works Park	4,199,006	4,150,300	4,530,900	4,753,200	4,967,000	4,976,800	4,986,600
Springwells Water Plant	4,121,965	4,000,700	4,023,100	4,166,100	4,330,700	4,339,000	4,347,400
Northeast Water Plant	3,956,689	3,843,700	4,078,800	4,226,500	4,402,300	4,410,700	4,419,200
Southwest Water Plant	3,380,836	3,261,000	3,719,100	3,858,300	4,015,100	4,023,500	4,031,800
Lake Huron Water Plant	3,743,873	3,609,800	3,882,300	3,982,500	4,078,300	4,087,000	4,095,700
Grand Total	**$ 28,099,172**	**$ 28,118,600**	**$ 30,573,800**	**$ 31,622,000**	**$ 32,636,000**	**$ 32,699,000**	**$ 32,762,000**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 28,099,172	$ 28,118,600	**$ 30,573,800**	$ 31,622,000	$ 32,636,000	$ 32,699,000	$ 32,762,000
3.1 Electric	16,677,674	20,458,000	**19,000,000**	19,286,000	19,576,000	19,871,000	20,169,000
3.2 Gas	1,199,350	1,081,000	**1,058,000**	1,070,000	1,083,000	1,096,000	1,109,000
3.3 Sewage Service	1,019,065	760,000	**818,000**	830,000	842,000	854,000	866,000
3.4 Water Service	969	1,500	**1,500**	1,500	1,500	1,500	1,500
4.1 Chemicals	14,111,804	14,904,300	**14,906,600**	15,303,900	15,303,900	15,303,900	15,303,900
4.2 Supplies & Other	5,143,786	4,961,700	**5,781,800**	5,249,100	5,205,400	5,358,900	5,180,600
4.3 Contractual Services	15,131,923	19,295,100	**16,496,600**	15,373,700	14,214,300	14,155,900	14,681,600
5.1 Capital Program Allocation	(1,492,978)	(1,619,900)	**(1,819,900)**	(735,800)	(729,900)	(756,600)	(759,500)
7.0 Unallocated Reserve	-	487,900	**3,422,800**	5,898,900	8,249,600	10,336,100	12,432,000
Grand Total	**$ 79,890,765**	**$ 88,448,200**	**$ 90,239,200**	**$ 93,899,300**	**$ 96,381,800**	**$ 98,919,700**	**$ 101,746,100**


Five-Year Financial Plan
2.0 Personnel
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.1 Chemicals
4.2 Supplies & Other
4.3 Contractual Services
5.1 Capital Program Allocation
7.0 Unallocated Reserve
FY2026 Amended Budget
FY 2027
FY 2028
FY 2029
FY 2030
FY2031
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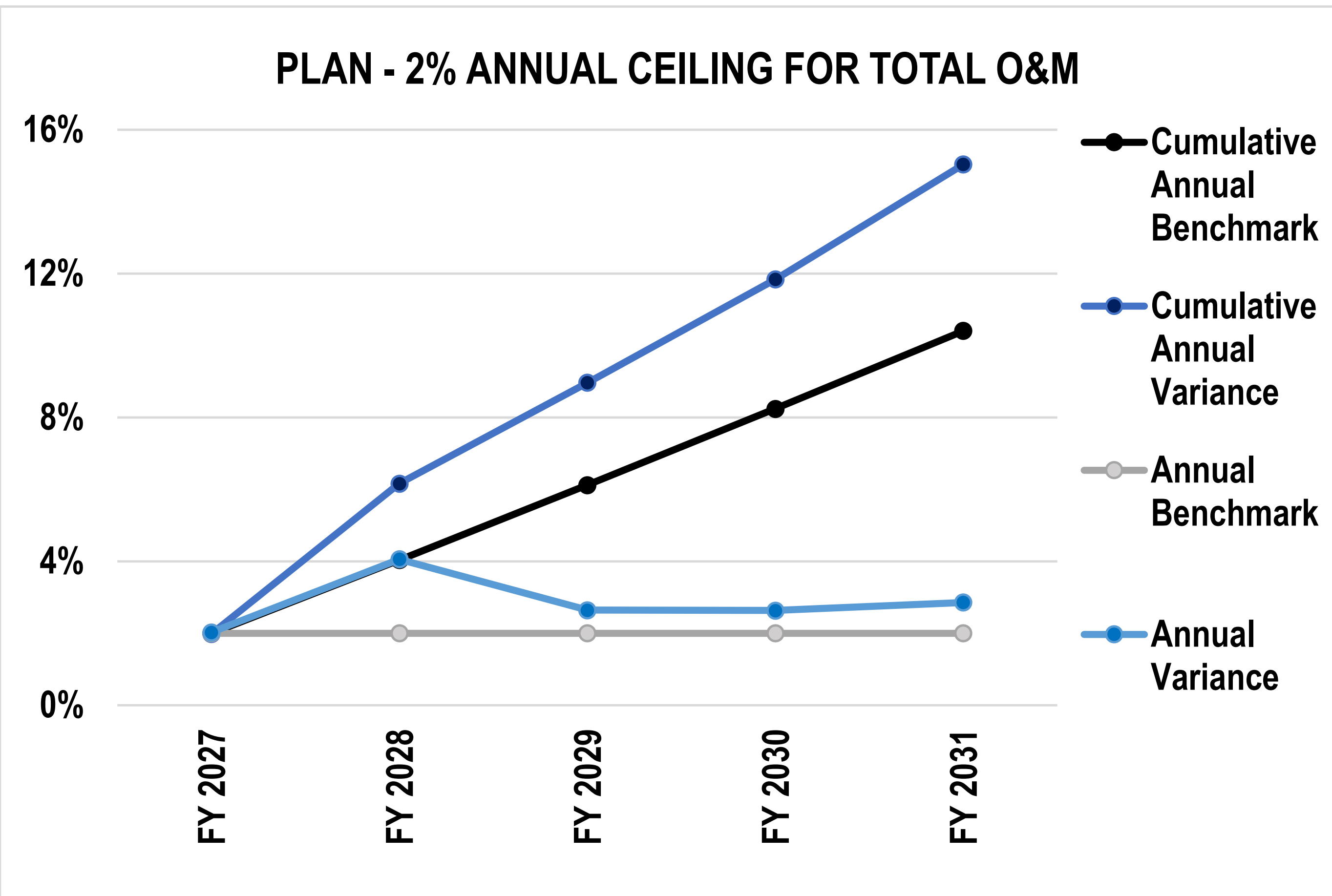
$ Millions

Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Administration	$ 5,015,279	$ 5,197,300	**$ 5,554,000**	$ 4,681,300	$ 4,742,300	$ 4,750,000	$ 4,757,600
Water Treatment Plants	2,302,101	2,201,800	**2,526,600**	3,718,700	3,776,700	3,756,300	3,758,800
Water Engineering	2,912,159	2,838,700	**3,159,800**	3,205,300	3,211,000	3,227,000	3,234,000
Water Quality	69,661,226	77,722,500	**75,576,000**	76,395,100	76,402,200	76,850,300	77,563,700
Water Operations Unallocated Reserve	-	487,900	**3,422,800**	5,898,900	8,249,600	10,336,100	12,432,000
Grand Total	**$ 79,890,765**	**$ 88,448,200**	**$ 90,239,200**	**$ 93,899,300**	**$ 96,381,800**	**$ 98,919,700**	**$ 101,746,100**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Water Operations area financial plan reflects a five-year overall increase of 15.0%, which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The main reason for being above the five-year entity-wide goal is the increase in FY 2028 being above the annual 2% as seen in the graph below.



Capital Outlay

Water Operations capital outlay is funded by the Improvement & Extension (I&E) budget.

Increase in the buildings/structures category of $1.6M due to the Northeast laboratory rebuild ($0.9 million) and the Springwells Water Plant Low Lift Elevator replacement ($0.7 million).

Five-Year Capital Outlay Plan by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Buildings/Structures	**$ 552,100**	**$ 2,025,000**	**$ 50,000**	**$ 50,000**	**$ 80,000**	**$ 50,000**
Leasehold Improvements	**73,600**	**-**	**-**	**-**	**-**	**-**
Machinery & Equipment	**3,271,700**	**4,344,200**	**4,454,000**	**2,378,500**	**1,636,300**	**1,315,300**
Controls and Communication	593,700	1,033,700	524,000	530,000	110,000	139,000
Furniture & Fixtures	45,000	75,000	25,000	-	-	-
Heavy Equipment & Misc	365,000	62,000	45,000	467,000	50,000	-
Laboratory	274,800	266,000	198,000	301,000	316,300	141,300
Leasehold Improvements	250,000	130,000	-	-	-	-
Pipes, Gates and Valves	228,000	(70,000)	174,000	60,000	204,000	-
Process Equipment/Treatment	599,200	2,181,000	1,910,000	537,000	385,000	251,000
Pumps & Motors < 25mgd	881,000	654,500	1,546,000	471,500	541,000	769,000
Tools, Shop & Warehouse	35,000	12,000	32,000	12,000	30,000	15,000
Site Improvements	**-**	**-**	**40,000**	**-**	**40,000**	**-**
Vehicles	**68,000**	**23,000**	**68,000**	**23,000**	**13,000**	**23,000**
Trailer & Tow Equipment	40,000	-	40,000	-	-	-
Utility Vehicle	28,000	23,000	28,000	23,000	13,000	23,000
Grand Total	**$ 3,965,400**	**$ 6,392,200**	**$ 4,612,000**	**$ 2,451,500**	**$ 1,769,300**	**$ 1,388,300**

Five-Year Capital Outlay Plan by Funding Source

	Actual	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Improvement & Extension	$ 4,614,765	$ 3,965,400	$ 6,392,200	$ 4,612,000	$ 2,451,500	$ 1,769,300	$ 1,388,300
Grand Total	**$ 4,614,765**	**$ 3,965,400**	**$ 6,392,200**	**$ 4,612,000**	**$ 2,451,500**	**$ 1,769,300**	**$ 1,388,300**

Five-Year Capital Outlay Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Water Director	**$ 4,331**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Water Quality	**42,369**	**51,500**	**12,000**	**62,000**	**27,000**	**28,000**	**32,000**
Water Treatment Plants	**4,568,065**	**3,913,900**	**6,380,200**	**4,550,000**	**2,424,500**	**1,741,300**	**1,356,300**
Water Works Park	969,728	1,043,300	2,318,000	1,735,000	777,000	200,300	185,300
Springwells Water Plant	585,418	447,900	1,724,900	572,000	402,000	475,000	330,000
Northeast Water Plant	1,032,648	1,516,000	1,798,900	1,351,000	881,000	706,000	381,000
Southwest Water Plant	990,383	534,800	301,500	643,000	245,500	241,000	129,000
Lake Huron Water Plant	989,888	371,900	236,900	249,000	119,000	119,000	331,000
Grand Total	**$ 4,614,765**	**$ 3,965,400**	**$ 6,392,200**	**$ 4,612,000**	**$ 2,451,500**	**$ 1,769,300**	**$ 1,388,300**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, the tables provide information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
882001 COO - Water Operations & Field Services	**$ 1,535,402**	**$ 1,623,600**	**$ 1,693,500**	**$ 1,718,500**	**$ 1,765,400**	**$ 1,768,900**	**$ 1,772,400**
2.1 Salaries & Wages	**941,747**	**1,003,000**	**1,029,400**	**1,065,300**	**1,101,600**	**1,101,600**	**1,101,600**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**260,092**	**281,600**	**292,500**	**304,300**	**316,300**	**318,300**	**320,300**
4.1 Chemicals	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**333,563**	**339,000**	**371,600**	**348,900**	**347,500**	**349,000**	**350,500**
Fuel	14	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	305,043	308,500	313,700	315,100	316,600	318,100	319,600
Mileage and Parking	1,299	-	-	-	-	-	-
Office Supplies	988	500	900	900	900	900	900
Operating Supplies	184	-	-	-	-	-	-
Postage	120	-	-	-	-	-	-
Training and Internal Meetings	14,257	12,000	39,000	14,900	12,000	12,000	12,000
Travel	11,658	18,000	18,000	18,000	18,000	18,000	18,000
4.3 Contractual Services	**140,000**	**15,000**	**-**	**-**	**-**	**-**	**-**
Contractual Professional Services	140,000	15,000	-	-	-	-	-
882101 Water Director	**3,479,877**	**3,573,700**	**3,860,500**	**2,962,800**	**2,976,900**	**2,981,100**	**2,985,200**
2.1 Salaries & Wages	**1,532,342**	**1,565,000**	**1,747,700**	**1,747,700**	**1,747,700**	**1,747,700**	**1,747,700**
2.2 Workforce Development	**58,222**	**58,400**	**88,600**	**88,600**	**88,600**	**88,600**	**88,600**
2.3 Overtime	**38,116**	**10,500**	**10,500**	**10,500**	**10,500**	**10,500**	**10,500**
2.4 Employee Benefits	**475,556**	**489,800**	**575,700**	**579,900**	**584,000**	**588,200**	**592,300**
4.2 Supplies & Other	**604,662**	**664,600**	**626,800**	**375,300**	**385,300**	**385,300**	**385,300**
Employee Uniform Expense	114,570	-	-	-	-	-	-
Inspection and Permit Fees	-	1,000	1,000	1,000	1,000	1,000	1,000
Janitorial	242	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	7,484	3,000	10,000	10,000	10,000	10,000	10,000
Mileage and Parking	5,440	5,600	5,600	5,600	5,600	5,600	5,600
Office Supplies	9,569	3,500	8,700	8,700	8,700	8,700	8,700
Operating Supplies	1,126	-	-	-	-	-	-
Postage	35	-	-	-	-	-	-
Training and Internal Meetings	444,911	436,500	386,500	135,000	145,000	145,000	145,000
Travel	20,846	70,000	70,000	70,000	70,000	70,000	70,000
Tuition Refund	439	-	-	-	-	-	-
Uniforms, Laundry, Cleaning	-	145,000	145,000	145,000	145,000	145,000	145,000
4.3 Contractual Services	**770,979**	**785,400**	**811,200**	**160,800**	**160,800**	**160,800**	**160,800**
Contractual Operating Services	611,239	650,400	650,400	-	-	-	-
Contractual Professional Services	159,740	135,000	160,800	160,800	160,800	160,800	160,800

(continued on next page)

Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
882111 Water Engineering	**2,302,101**	**2,201,900**	**2,526,600**	**3,718,700**	**3,776,700**	**3,756,300**	**3,758,800**
2.1 Salaries & Wages	**2,250,046**	**2,533,000**	**2,875,100**	**3,026,200**	**3,131,700**	**3,131,700**	**3,131,700**
2.2 Workforce Development	**20,144**	**36,500**	**59,100**	**59,100**	**59,100**	**59,100**	**59,100**
2.3 Overtime	**6,241**	**60,000**	**30,000**	**30,000**	**30,000**	**30,000**	**30,000**
2.4 Employee Benefits	**607,489**	**732,800**	**841,600**	**898,400**	**945,000**	**951,200**	**957,400**
4.2 Supplies & Other	**25,638**	**68,800**	**63,900**	**63,900**	**63,900**	**63,900**	**63,100**
Capital Outlay less than $5,000	-	5,500	5,500	5,500	5,500	5,500	5,000
Employee Uniform Expense	7,112	-	-	-	-	-	-
Fuel	7	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	7,412	13,700	500	500	500	500	500
Mileage and Parking	5,085	12,000	12,000	12,000	12,000	12,000	12,000
Office Supplies	1,635	1,500	1,800	1,800	1,800	1,800	1,500
Operating Supplies	3,037	3,000	3,500	3,500	3,500	3,500	3,000
Postage	-	100	100	100	100	100	100
Training and Internal Meetings	4,173	8,500	12,500	12,500	12,500	12,500	13,000
Travel	(2,823)	13,500	15,000	15,000	15,000	15,000	15,000
Tuition Refund	-	2,000	4,000	4,000	4,000	4,000	4,000
Uniforms, Laundry, Cleaning	-	9,000	9,000	9,000	9,000	9,000	9,000
4.3 Contractual Services	**857,871**	**250,000**	**450,000**	**350,000**	**250,000**	**250,000**	**250,000**
Contractual Professional Services	857,871	250,000	450,000	350,000	250,000	250,000	250,000
5.1 Capital Program Allocation	**(1,465,328)**	**(1,479,200)**	**(1,793,100)**	**(708,900)**	**(703,000)**	**(729,600)**	**(732,500)**
Capital Program: Employee Benefits	(371,807)	(327,600)	(402,000)	(425,200)	(446,500)	(449,400)	(452,300)
Capital Program: Salaries & Wages-Direct	(1,093,521)	(1,151,600)	(1,391,100)	(283,700)	(256,500)	(280,200)	(280,200)
882121 Water Quality	**1,706,625**	**1,786,300**	**1,924,600**	**1,946,300**	**1,942,600**	**1,942,600**	**1,942,600**
2.1 Salaries & Wages	**105,623**	**12,000**	**100,000**	**100,000**	**100,000**	**100,000**	**100,000**
2.3 Overtime	**694,560**	**684,200**	**764,800**	**779,100**	**785,500**	**792,500**	**799,500**
2.4 Employee Benefits	**192,085**	**230,000**	**-**	**-**	**-**	**-**	**-**
4.1 Chemicals	**114,497**	**76,200**	**310,700**	**308,200**	**308,200**	**308,200**	**308,200**
4.2 Supplies & Other	**114,497**	**76,200**	**310,700**	**308,200**	**308,200**	**308,200**	**308,200**
Capital Outlay less than $5,000	15,971	5,000	7,500	5,000	5,000	5,000	5,000
Janitorial	6,769	-	7,000	7,000	7,000	7,000	7,000
Memberships, Licenses & Subscriptions	400	7,000	7,000	7,000	7,000	7,000	7,000
Mileage and Parking	111	200	200	200	200	200	200
Office Supplies	8,746	6,500	9,500	9,500	9,500	9,500	9,500
Operating Supplies	57,422	55,000	1,500	1,500	1,500	1,500	1,500
Postage	161	2,500	5,000	5,000	5,000	5,000	5,000
4.3 Contractual Services	**98,769**	**50,000**	**59,700**	**71,700**	**74,700**	**83,700**	**83,700**
Contractual Operating Services	95,526	50,000	54,700	66,700	69,700	78,700	78,700
Contractual Professional Services	3,243	-	5,000	5,000	5,000	5,000	5,000

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
882131 Water Works Park	**12,189,529**	**13,041,100**	**14,225,900**	**14,596,700**	**14,791,400**	**14,723,100**	**14,561,900**
2.1 Salaries & Wages	**2,063,149**	**2,054,800**	**2,316,400**	**2,410,000**	**2,489,200**	**2,489,200**	**2,489,200**
2.2 Workforce Development	**294,722**	**385,400**	**288,600**	**333,700**	**396,100**	**396,100**	**396,100**
2.3 Overtime	**835,581**	**752,400**	**864,400**	**887,800**	**905,300**	**905,300**	**905,300**
2.4 Employee Benefits	**1,005,554**	**957,700**	**1,061,500**	**1,121,700**	**1,176,400**	**1,186,200**	**1,196,000**
3.1 Electric	**2,396,592**	**2,500,000**	**2,400,000**	**2,436,000**	**2,473,000**	**2,511,000**	**2,549,000**
3.2 Gas	**370,619**	**234,600**	**200,000**	**202,000**	**205,000**	**208,000**	**211,000**
3.3 Sewage Service	**59,438**	**60,000**	**63,000**	**64,000**	**65,000**	**66,000**	**67,000**
4.1 Chemicals	**2,002,791**	**2,526,500**	**3,408,900**	**3,460,000**	**3,460,000**	**3,460,000**	**3,460,000**
4.2 Supplies & Other	**826,511**	**819,000**	**931,500**	**976,500**	**916,500**	**961,500**	**916,500**
Buildings	-	3,000	6,000	6,000	6,000	6,000	6,000
Buildings & Ground Repairs & Maintenance	538	-	-	-	-	-	-
Capital Outlay less than $5,000	91,896	72,000	85,000	85,000	85,000	85,000	85,000
Equipment Repairs & Maintenance	447,479	427,000	452,000	497,000	437,000	482,000	437,000
Facilities Repairs & Maintenance	2,407	-	-	-	-	-	-
Hardware Repairs & Maintenance	451	-	-	-	-	-	-
Inspection and Permit Fees	7,286	3,000	6,000	6,000	6,000	6,000	6,000
Janitorial	15,606	15,000	17,000	17,000	17,000	17,000	17,000
Memberships, Licenses & Subscriptions	7,879	10,000	10,000	10,000	10,000	10,000	10,000
Mileage and Parking	6,159	500	3,000	3,000	3,000	3,000	3,000
Office Equipment	5,500	-	-	-	-	-	-
Office Supplies	11,164	11,000	12,500	12,500	12,500	12,500	12,500
Operating Supplies	220,440	277,000	197,000	197,000	197,000	197,000	197,000
Postage	6	-	-	-	-	-	-
Tuition Refund	5,000	500	1,000	1,000	1,000	1,000	1,000
Laboratory Supplies	4,700	-	142,000	142,000	142,000	142,000	142,000
4.3 Contractual Services	**2,334,572**	**2,760,700**	**2,691,600**	**2,705,000**	**2,704,900**	**2,539,800**	**2,371,800**
Contract Services-Information Technology	116,430	-	-	-	-	-	-
Contractual Buildings & Grounds Maint	1,001,332	780,000	855,000	855,000	855,000	855,000	655,000
Contractual Operating Services	1,058,863	1,725,700	1,678,600	1,692,000	1,691,900	1,526,800	1,526,800
Contractual Professional Services	157,947	255,000	158,000	158,000	158,000	158,000	190,000
5.1 Capital Program Allocation	**-**	**(10,000)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	(2,600)	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(7,400)	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882141 Springwells Water Plant	**15,816,079**	**18,139,100**	**16,383,200**	**17,631,000**	**19,623,600**	**16,401,400**	**20,067,600**
2.1 Salaries & Wages	**2,104,747**	**2,169,800**	**2,311,400**	**2,359,600**	**2,425,300**	**2,425,300**	**2,425,300**
2.2 Workforce Development	**268,761**	**310,800**	**82,800**	**120,100**	**157,600**	**157,600**	**157,600**
2.3 Overtime	**763,764**	**580,700**	**699,700**	**709,400**	**719,000**	**719,000**	**719,000**
2.4 Employee Benefits	**958,574**	**939,400**	**929,200**	**977,000**	**1,028,800**	**1,037,100**	**1,045,500**
3.1 Electric	**3,696,283**	**4,600,000**	**4,400,000**	**4,466,000**	**4,533,000**	**4,601,000**	**4,671,000**
3.2 Gas	**340,071**	**306,000**	**350,000**	**354,000**	**358,000**	**362,000**	**366,000**
4.1 Chemicals	**3,793,514**	**4,125,000**	**3,975,000**	**4,034,600**	**4,034,600**	**4,034,600**	**4,034,600**
4.2 Supplies & Other	**865,226**	**994,000**	**959,400**	**672,400**	**675,100**	**842,100**	**669,100**
Buildings & Ground Repairs & Maintenance	204	-	-	-	-	-	-
Capital Outlay less than $5,000	88,222	50,000	60,000	50,000	50,000	50,000	50,000
Equipment Repairs & Maintenance	562,996	737,000	585,000	310,000	310,000	485,000	310,000
Inspection and Permit Fees	6,937	1,500	1,500	1,500	1,500	1,500	1,500
Janitorial	14,593	10,200	10,200	10,200	10,200	10,200	10,200
Memberships, Licenses & Subscriptions	869	800	1,000	1,000	1,200	1,200	1,200
Mileage and Parking	581	500	700	700	700	700	700
Office Supplies	7,002	4,000	5,500	5,500	6,000	6,500	6,500
Operating Supplies	170,102	189,000	212,000	210,000	212,000	210,000	212,000
Postage	20	-	-	-	-	-	-
Tuition Refund	5,100	1,000	7,500	7,500	7,500	1,000	1,000
Laboratory Supplies	8,600	-	76,000	76,000	76,000	76,000	76,000
4.3 Contractual Services	**3,025,139**	**4,142,100**	**2,675,700**	**3,937,900**	**5,692,200**	**2,222,700**	**5,979,500**
Contract Services-Information Technology	15,600	60,000	-	-	-	-	-
Contractual Buildings & Grounds Maint	712,284	825,000	814,200	939,200	1,064,200	1,314,200	1,114,200
Contractual Operating Services	2,247,619	3,177,500	1,831,900	2,969,100	4,598,400	878,900	4,803,700
Contractual Professional Services	49,636	79,600	29,600	29,600	29,600	29,600	61,600
5.1 Capital Program Allocation	**-**	**(28,700)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	(7,100)	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(21,600)	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882151 Northeast Water Plant	**11,603,142**	**16,432,800**	**14,891,500**	**13,646,500**	**13,820,800**	**15,094,700**	**12,499,100**
2.1 Salaries & Wages	**2,016,886**	**2,039,800**	**2,110,900**	**2,189,600**	**2,284,100**	**2,284,100**	**2,284,100**
2.2 Workforce Development	**252,835**	**286,000**	**239,800**	**248,700**	**257,600**	**257,600**	**257,600**
2.3 Overtime	**763,106**	**610,300**	**789,700**	**804,500**	**824,100**	**824,100**	**824,100**
2.4 Employee Benefits	**949,981**	**907,600**	**938,400**	**983,700**	**1,036,500**	**1,044,900**	**1,053,400**
3.1 Electric	**2,081,487**	**4,448,000**	**3,300,000**	**3,350,000**	**3,400,000**	**3,450,000**	**3,500,000**
3.2 Gas	**161,870**	**173,400**	**173,000**	**175,000**	**177,000**	**179,000**	**181,000**
3.3 Sewage Service	**168,671**	**180,000**	**180,000**	**182,000**	**184,000**	**186,000**	**188,000**
3.4 Water Service	**98**	**500**	**500**	**500**	**500**	**500**	**500**
4.1 Chemicals	**2,241,740**	**2,492,500**	**2,572,800**	**2,611,800**	**2,611,800**	**2,611,800**	**2,611,800**
4.2 Supplies & Other	**449,969**	**479,500**	**662,800**	**657,800**	**662,800**	**652,800**	**657,800**
Buildings & Ground Repairs & Maintenance	**542**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Outlay less than $5,000	30,189	25,000	30,000	30,000	30,000	30,000	30,000
Equipment Repairs & Maintenance	212,884	213,000	300,000	295,000	300,000	290,000	295,000
Inspection and Permit Fees	650	6,000	6,000	6,000	6,000	6,000	6,000
Janitorial	15,334	19,000	19,000	19,000	19,000	19,000	19,000
Memberships, Licenses & Subscriptions	8,221	9,100	9,000	9,000	9,000	9,000	9,000
Mileage and Parking	407	500	600	600	600	600	600
Office Supplies	8,572	8,000	8,800	8,800	8,800	8,800	8,800
Operating Supplies	170,359	196,800	189,800	189,800	189,800	189,800	189,800
Postage	592	100	100	100	100	100	100
Tuition Refund	837	2,000	2,000	2,000	2,000	2,000	2,000
Laboratory Supplies	1,382	-	97,500	97,500	97,500	97,500	97,500
4.3 Contractual Services	**2,537,201**	**4,852,600**	**3,950,400**	**2,469,800**	**2,409,300**	**3,630,900**	**967,800**
Contract Services-Information Technology	1,320	-	-	-	-	-	-
Contractual Buildings & Grounds Maint	529,458	526,100	1,256,100	866,100	866,100	536,100	336,100
Contractual Operating Services	1,971,530	4,264,500	2,682,300	1,591,700	1,531,200	3,082,800	587,700
Contractual Professional Services	34,893	62,000	12,000	12,000	12,000	12,000	44,000
5.1 Capital Program Allocation	**(20,702)**	**(37,400)**	**(26,800)**	**(26,900)**	**(26,900)**	**(27,000)**	**(27,000)**
Capital Program: Employee Benefits	(5,378)	(8,600)	(6,000)	(6,100)	(6,100)	(6,200)	(6,200)
Capital Program: Salaries & Wages-Direct	(15,324)	(28,800)	(20,800)	(20,800)	(20,800)	(20,800)	(20,800)

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882161 Southwest Water Plant	**14,061,296**	**12,866,200**	**13,626,700**	**13,759,900**	**11,381,600**	**13,725,600**	**13,607,900**
2.1 Salaries & Wages	**1,767,209**	**1,762,400**	**2,068,400**	**2,119,800**	**2,182,200**	**2,182,200**	**2,182,200**
2.2 Workforce Development	**167,883**	**236,300**	**122,200**	**159,100**	**196,200**	**196,200**	**196,200**
2.3 Overtime	**629,386**	**472,300**	**650,000**	**650,000**	**650,000**	**650,000**	**650,000**
2.4 Employee Benefits	**816,358**	**790,100**	**878,500**	**929,400**	**986,700**	**995,100**	**1,003,400**
3.1 Electric	**1,798,159**	**1,800,000**	**1,900,000**	**1,929,000**	**1,958,000**	**1,988,000**	**2,018,000**
3.2 Gas	**175,282**	**214,000**	**185,000**	**187,000**	**189,000**	**191,000**	**193,000**
3.3 Sewage Service	**717,473**	**450,000**	**500,000**	**508,000**	**516,000**	**524,000**	**532,000**
3.4 Water Service	**871**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
4.1 Chemicals	**2,599,281**	**1,837,000**	**2,225,100**	**2,336,600**	**2,336,600**	**2,336,600**	**2,336,600**
4.2 Supplies & Other	**1,165,838**	**709,800**	**881,100**	**872,100**	**872,100**	**822,100**	**856,100**
Capital Outlay less than $5,000	69,646	95,000	70,000	70,000	70,000	70,000	95,000
Equipment Repairs & Maintenance	595,940	183,900	240,900	231,900	231,900	181,900	190,900
Hardware Repairs & Maintenance	697	-	-	-	-	-	-
Inspection and Permit Fees	4,339	6,400	6,400	6,400	6,400	6,400	6,400
Janitorial	13,700	13,000	15,000	15,000	15,000	15,000	15,000
Memberships, Licenses & Subscriptions	275	2,000	2,000	2,000	2,000	2,000	2,000
Mileage and Parking	1,293	500	1,300	1,300	1,300	1,300	1,300
Office Supplies	9,213	9,000	9,000	9,000	9,000	9,000	9,000
Operating Supplies	159,269	150,000	124,000	124,000	124,000	124,000	124,000
Postage	243	-	-	-	-	-	-
Property Taxes	308,350	250,000	310,000	310,000	310,000	310,000	310,000
Laboratory Supplies	2,873	-	102,500	102,500	102,500	102,500	102,500
4.3 Contractual Services	**4,230,504**	**4,646,900**	**4,215,400**	**4,067,900**	**1,493,800**	**3,839,400**	**3,639,400**
Contract Services-Information Technology	50,000	-	-	-	-	-	-
Contractual Buildings & Grounds Maint	490,325	590,000	620,000	620,000	620,000	620,000	420,000
Contractual Operating Services	3,640,544	3,952,900	3,516,400	3,432,900	858,800	3,204,400	3,204,400
Contractual Professional Services	49,635	104,000	79,000	15,000	15,000	15,000	15,000
5.1 Capital Program Allocation	**(6,948)**	**(53,600)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(1,971)	(12,900)	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	(4,977)	(40,700)	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882171 Lake Huron Water Plant	**15,991,180**	**17,243,300**	**16,448,700**	**16,761,000**	**16,784,800**	**16,905,500**	**16,827,200**
2.1 Salaries & Wages	**2,190,817**	**2,246,500**	**2,324,100**	**2,373,300**	**2,418,100**	**2,418,100**	**2,418,100**
2.2 Workforce Development	**203,192**	**170,700**	**188,200**	**206,600**	**234,200**	**234,200**	**234,200**
2.3 Overtime	**412,091**	**305,800**	**400,000**	**400,000**	**395,000**	**395,000**	**395,000**
2.4 Employee Benefits	**937,773**	**886,800**	**970,000**	**1,002,600**	**1,031,000**	**1,039,700**	**1,048,400**
3.1 Electric	**6,705,153**	**7,110,000**	**7,000,000**	**7,105,000**	**7,212,000**	**7,321,000**	**7,431,000**
3.2 Gas	**151,508**	**153,000**	**150,000**	**152,000**	**154,000**	**156,000**	**158,000**
3.3 Sewage Service	**73,483**	**70,000**	**75,000**	**76,000**	**77,000**	**78,000**	**79,000**
4.1 Chemicals	**3,282,393**	**3,693,300**	**2,724,800**	**2,860,900**	**2,860,900**	**2,860,900**	**2,860,900**
4.2 Supplies & Other	**757,882**	**810,800**	**974,000**	**974,000**	**974,000**	**974,000**	**974,000**
Capital Outlay less than $5,000	108,100	70,000	90,000	90,000	90,000	90,000	90,000
Equipment Repairs & Maintenance	435,591	490,000	490,000	490,000	490,000	490,000	490,000
Inspection and Permit Fees	4,768	1,000	5,000	5,000	5,000	5,000	5,000
Janitorial	7,006	8,000	8,000	8,000	8,000	8,000	8,000
Memberships, Licenses & Subscriptions	3,031	8,500	5,500	5,500	5,500	5,500	5,500
Mileage and Parking	577	500	700	700	700	700	700
Office Supplies	9,708	8,500	10,500	10,500	10,500	10,500	10,500
Operating Supplies	160,928	214,000	207,000	207,000	207,000	207,000	207,000
Postage	87	300	300	300	300	300	300
Property Taxes	-	8,000	8,000	8,000	8,000	8,000	8,000
Travel	164	-	-	-	-	-	-
Tuition Refund	2,357	2,000	4,000	4,000	4,000	4,000	4,000
Laboratory Supplies	25,565	-	145,000	145,000	145,000	145,000	145,000
4.3 Contractual Services	**1,276,888**	**1,807,400**	**1,642,600**	**1,610,600**	**1,428,600**	**1,428,600**	**1,228,600**
Contractual Buildings & Grounds Maint	352,174	405,000	470,000	470,000	470,000	470,000	270,000
Contractual Operating Services	780,049	1,349,400	935,600	935,600	935,600	935,600	935,600
Contractual Professional Services	144,665	53,000	237,000	205,000	23,000	23,000	23,000
5.1 Capital Program Allocation	**-**	**(11,000)**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	(2,800)	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	(8,200)	-	-	-	-	-
887601 Water System Operations Unallocated	**-**	**487,900**	**3,422,800**	**5,898,900**	**8,249,600**	**10,336,100**	**12,432,000**
7.0 Unallocated Reserve	**-**	**487,900**	**3,422,800**	**5,898,900**	**8,249,600**	**10,336,100**	**12,432,000**
Grand Total	**$ 79,890,765**	**$ 88,448,300**	**$ 90,239,200**	**$ 93,899,300**	**$ 96,381,800**	**$ 98,919,700**	**$ 101,746,100**

Water Operations Pumping Stations

The Water Operations Pumping (Booster) Stations are facilities located within the regional system that distribute water received from the water treatment facilities to communities and other stations to meet pressure and demand requirements. Some water is diverted to reservoirs at the stations until needed during times of high demand. There are nineteen (19) water booster pump stations and one decommissioned pump station (Roseville Pump Station) in the GLWA transmission system.

Strategic Initiatives

- **Maximize pumping reliability (Ongoing)**
  Regularly scheduled preventive maintenance is necessary and required to maintain the condition of all pumping (booster) stations. GLWA has implemented an Enterprise Asset Management (EAM) system which will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance.
- **Minimize energy usage (Ongoing)**
  Energy consumption is dependent on flow rate, total pressure, climate, and overall pump efficiency. Energy can be minimized through regular preventive maintenance.

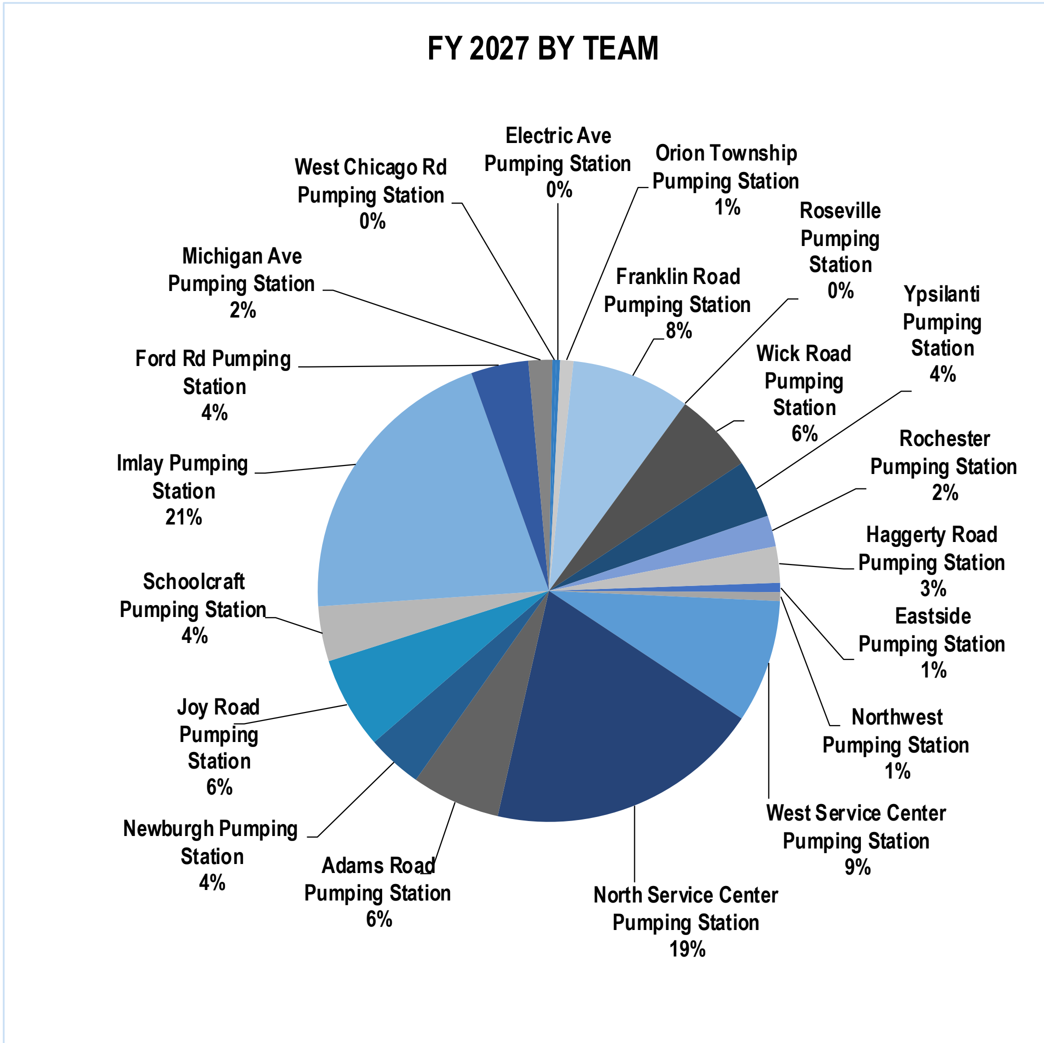
The table below shows how the water operations area pumping (booster) stations strategic initiatives relate to the organizational strategic goals.

		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Water Pump Stations Strategic Initiatives	Maximize pumping reliability				x	x		x				
	Minimize energy usage		x		x	x						

Organization

The Water Operations Pump (Booster) Stations consist of (19) water booster pump stations and one decommissioned pump station (Roseville Pump Station) in the water transmission system.

- Adams Road Pumping Station
- Eastside Pumping Station
- Electric Ave Pumping Station
- Ford Rd Pumping Station
- Franklin Road Pumping Station
- Haggerty Road Pumping Station
- Imlay Pumping Station
- Joy Road Pumping Station
- Michigan Ave Pumping Station
- Newburgh Pumping Station
- North Service Center Pumping Station
- Northwest Pumping Station
- Orion Township Pumping Station
- Rochester Pumping Station
- Roseville Pumping Station*
- Schoolcraft Pumping Station
- West Chicago Rd Pumping Station
- West Service Center Pumping Station
- Wick Road Pumping Station
- Ypsilanti Pumping Station

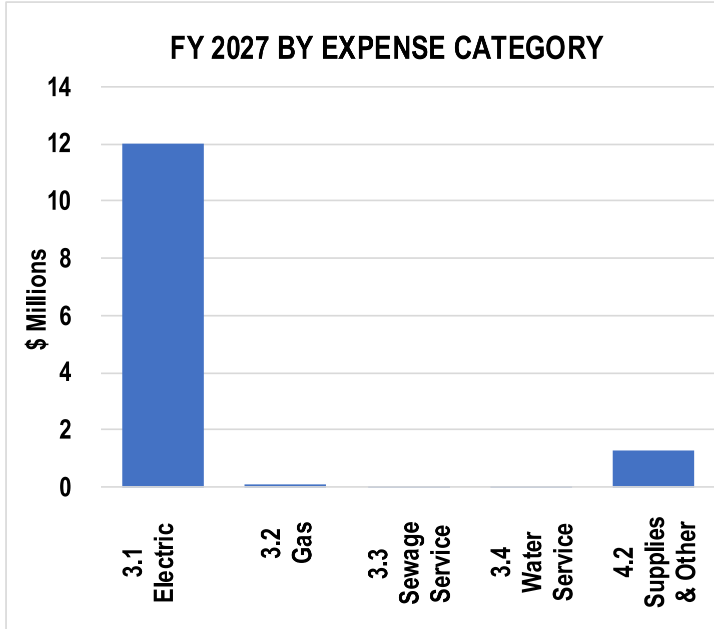


* The Roseville pumping station was decommissioned by DWSD prior to GLWA assuming operations. The only costs being incurred for this pump station are stormwater drainage charges.

Expense Categories

Electric costs are the highest expense category in the Water Pump Stations operations and maintenance budget.

Water booster pumping stations require a significant amount of power. The electric costs represent approximately 90% of the total operations and maintenance costs for FY 2027.



Biennial Budget Request

The biennial budget reflects an overall increase in FY 2027 of $362,200, or 2.8%. Key factors that impact the FY 2027 budget include the following:

- Electric – Increase of $239,700 to realign budgets to anticipated cost based on current trends. Over the past three years, the organization has experienced a substantial increase in utility costs, and budgets have been right-sized based on the continued price increases. Budgets are based on historical kilowatt hours (kWh) used and costs influenced by known rate changes by DTE Energy.
- Supplies & Other – Increase of $109,900 for repairs & maintenance on equipment based on increased spend and anticipated costs to maintain pump stations.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
3.1 Electric	$ 11,616,602	$ 11,776,300	$ 3,346,859	**$ 12,016,000**	**$ 239,700**	**2.0%**	$ 12,255,900
3.2 Gas	154,054	110,600	5,454	**123,200**	**12,600**	**11.4%**	126,100
3.3 Sewage Service	2,867	8,400	764	**8,400**	**-**	**0.0%**	8,400
3.4 Water Service	389	1,000	171	**1,000**	**-**	**0.0%**	1,000
4.2 Supplies & Other	1,510,518	1,156,200	148,575	**1,266,100**	**109,900**	**9.5%**	1,278,000
4.3 Contractual Services	19,800	-	-	**-**	**-**	**n/a**	-
Grand Total	$ 13,304,230	$ 13,052,500	$ 3,501,823	**$ 13,414,700**	**$ 362,200**	**2.8%**	$ 13,669,400

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Adams Road Pumping Station	$ 807,648	$ 768,400	$ 200,070	**$ 832,100**	**$ 63,700**	**8.3%**	$ 846,000
Eastside Pumping Station	123,276	85,500	22,616	**86,800**	**1,300**	**2%**	88,200
Electric Ave Pumping Station	38,375	35,500	4,296	**36,000**	**500**	**1%**	36,500
Ford Rd Pumping Station	432,568	544,000	111,652	**539,100**	**(4,900)**	**-1%**	549,200
Franklin Road Pumping Station	999,839	1,097,000	323,236	**1,116,400**	**19,400**	**2%**	1,136,100
Haggerty Road Pumping Station	275,350	334,700	82,026	**340,100**	**5,400**	**2%**	345,800
Imlay Pumping Station	3,169,240	2,618,300	854,796	**2,767,100**	**148,800**	**6%**	2,817,500
Joy Road Pumping Station	753,690	828,100	163,708	**863,800**	**35,700**	**4%**	879,300
Michigan Ave Pumping Station	168,720	219,700	35,817	**223,700**	**4,000**	**2%**	227,700
Newburgh Pumping Station	437,319	510,000	90,623	**519,300**	**9,300**	**2%**	528,800
North Service Center Pumping Station	2,729,864	2,485,000	723,471	**2,580,900**	**95,900**	**4%**	2,627,700
Northwest Pumping Station	78,969	81,900	16,557	**83,100**	**1,200**	**1%**	84,400
Orion Township Pumping Station	96,304	122,500	30,636	**124,200**	**1,700**	**1%**	126,000
Rochester Pumping Station	385,245	285,300	154,304	**291,000**	**5,700**	**2%**	296,700
Roseville Pumping Station	134	300	47	**300**	**-**	**0%**	300
Schoolcraft Pumping Station	457,655	506,700	106,605	**516,200**	**9,500**	**2%**	525,200
West Chicago Rd Pumping Station	54,597	35,600	4,259	**36,100**	**500**	**1%**	36,700
West Service Center Pumping Station	896,016	1,222,900	285,732	**1,155,100**	**(67,800)**	**-6%**	1,178,400
Wick Road Pumping Station	867,548	736,800	146,177	**758,900**	**22,100**	**3%**	783,900
Ypsilanti Pumping Station	531,873	534,300	145,195	**544,500**	**10,200**	**2%**	555,000
Grand Total	**$ 13,304,230**	**$ 13,052,500**	**$ 3,501,823**	**$ 13,414,700**	**$ 362,200**	**2.8%**	**$ 13,669,400**

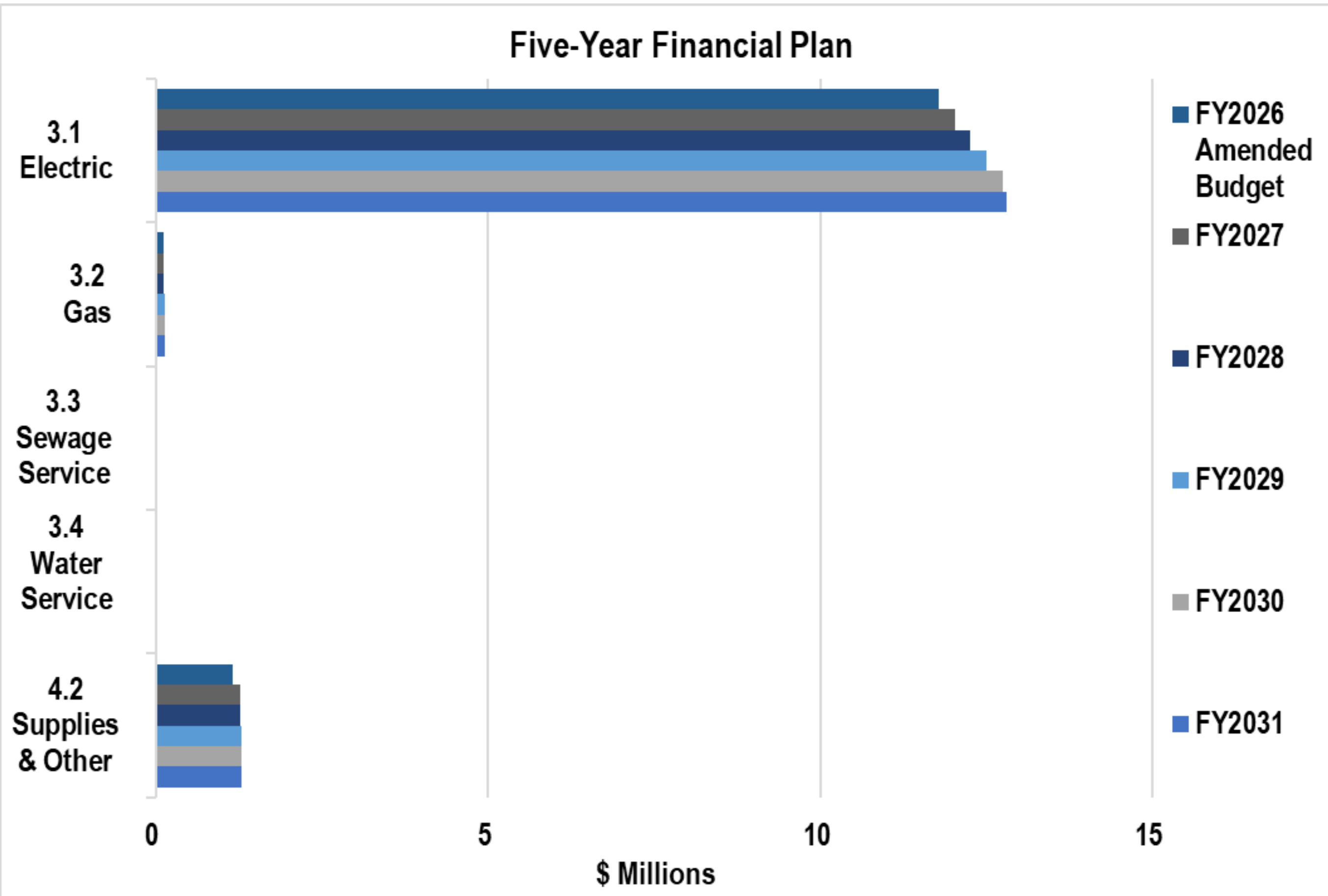
Personnel Budget

Personnel expenditures are not a component of the Water Pump Stations budget. Labor to maintain these facilities is included in the Field Service Operations budget.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
3.1 Electric	$ 11,616,602	$ 11,776,300	**$ 12,016,000**	$ 12,255,900	$ 12,500,300	$ 12,742,600	$ 12,807,600
3.2 Gas	154,054	110,600	**123,200**	126,100	130,300	136,000	136,000
3.3 Sewage Service	2,867	8,400	**8,400**	8,400	8,500	8,600	8,600
3.4 Water Service	389	1,000	**1,000**	1,000	1,000	1,000	1,000
4.2 Supplies & Other	1,510,518	1,156,200	**1,266,100**	1,278,000	1,291,300	1,300,000	1,300,000
4.3 Contractual Services	19,800	-	**-**	-	-	-	-
Grand Total	**$ 13,304,230**	**$ 13,052,500**	**$ 13,414,700**	**$ 13,669,400**	**$ 13,931,400**	**$ 14,188,200**	**$ 14,253,200**

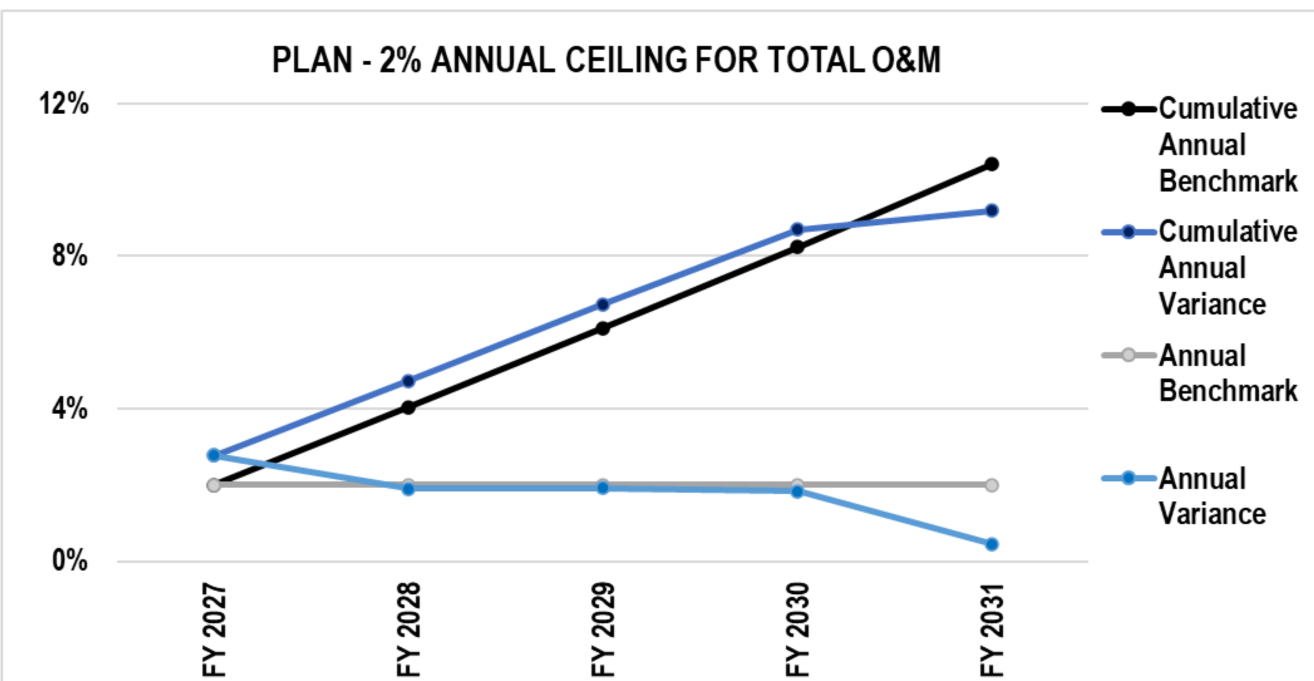


Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Eastside Pumping Station	$ 123,276	$ 85,500	**$ 86,800**	$ 88,200	$ 89,600	$ 89,600	$ 89,600
Northwest Pumping Station	78,969	81,900	**83,100**	84,400	85,700	85,700	85,700
West Service Center Pumping Station	896,016	1,222,900	**1,155,100**	1,178,400	1,202,200	1,226,400	1,246,400
North Service Center Pumping Station	2,729,864	2,485,000	**2,580,900**	2,627,700	2,675,300	2,723,900	2,723,900
Adams Road Pumping Station	807,648	768,400	**832,100**	846,000	860,200	874,500	874,500
Newburgh Pumping Station	437,319	510,000	**519,300**	528,800	538,000	548,400	548,400
Joy Road Pumping Station	753,690	828,100	**863,800**	879,300	895,200	911,600	911,600
Schoolcraft Pumping Station	457,655	506,700	**516,200**	525,200	536,000	547,200	547,200
Imlay Pumping Station	3,169,240	2,618,300	**2,767,100**	2,817,500	2,868,300	2,920,600	2,955,600
Ford Rd Pumping Station	432,568	544,000	**539,100**	549,200	559,300	569,400	579,400
Michigan Ave Pumping Station	168,720	219,700	**223,700**	227,700	231,700	231,700	231,700
West Chicago Rd Pumping Station	54,597	35,600	**36,100**	36,700	37,300	37,900	37,900
Electric Ave Pumping Station	38,375	35,500	**36,000**	36,500	37,000	37,500	37,500
Orion Township Pumping Station	96,304	122,500	**124,200**	126,000	127,900	129,800	129,800
Franklin Road Pumping Station	999,839	1,097,000	**1,116,400**	1,136,100	1,156,300	1,177,700	1,177,700
Roseville Pumping Station	134	300	**300**	300	300	300	300
Wick Road Pumping Station	867,548	736,800	**758,900**	783,900	811,300	832,900	832,900
Ypsilanti Pumping Station	531,873	534,300	**544,500**	555,000	565,200	576,300	576,300
Rochester Pumping Station	385,245	285,300	**291,000**	296,700	302,600	308,200	308,200
Haggerty Road Pumping Station	275,350	334,700	**340,100**	345,800	352,000	358,600	358,600
Grand Total	**$ 13,304,230**	**$ 13,052,500**	**$ 13,414,700**	**$ 13,669,400**	**$ 13,931,400**	**$ 14,188,200**	**$ 14,253,200**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Water Pump Stations area financial plan reflects a five-year overall increase of 9.2% which is within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Water Pump Stations Capital Outlay is funded by the Improvement & Extension (I&E) Budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Buildings/Structures	-	$170,000	$150,000	$150,000	$156,000	$156,000
Machinery & Equipment	$513,000	$526,300	$533,400	$543,600	$547,800	$574,300
Projects & Programs	$150,000	-	-	-	-	-
Site Improvements	-	$760,000	-	-	-	-
Grand Total	$663,000	$1,456,300	$683,400	$693,600	$703,800	$730,300

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	$ 820,348	$ 663,000	$ 1,456,300	$ 683,400	$ 693,600	$ 703,800	$ 730,300
Grand Total	$ 820,348	$ 663,000	$ 1,456,300	$ 683,400	$ 693,600	$ 703,800	$ 730,300

Five-Year Capital Outlay Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Eastside Pumping Station	$ -	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 105,000	$ 105,000
Northwest Pumping Station	-	100,000	100,000	100,000	100,000	105,000	105,000
North Service Center Pumping Station	720,410	-	-	-	-	-	-
Adams Road Pumping Station	29,008	50,000	50,000	50,000	50,000	52,000	52,000
Newburgh Pumping Station	-	50,000	50,000	50,000	50,000	52,000	52,000
Schoolcraft Pumping Station	38,711	50,000	50,000	50,000	50,000	52,000	52,000
Imlay Pumping Station	32,219	313,000	696,300	333,400	343,600	337,800	364,300
Electric Ave Pumping Station	-	-	10,000	-	-	-	-
Orion Township Pumping Station	-	-	400,000	-	-	-	-
Grand Total	$ 820,348	$ 663,000	$ 1,456,300	$ 683,400	$ 693,600	$ 703,800	$ 730,300

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882321 Ford Rd Pumping Station	**$ 432,568**	**$ 544,000**	**$ 539,100**	**$ 549,200**	**$ 559,300**	**$ 569,400**	**$ 579,400**
3.1 Electric	**407,796**	**520,000**	**515,000**	**525,000**	**535,000**	**545,000**	**555,000**
3.2 Gas	**4,558**	**4,000**	**4,100**	**4,200**	**4,300**	**4,400**	**4,400**
4.2 Supplies & Other	**20,214**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Equipment Repairs & Maintenance	20,214	20,000	20,000	20,000	20,000	20,000	20,000
882322 Eastside Pumping Station	**123,276**	**85,500**	**86,800**	**88,200**	**89,600**	**89,600**	**89,600**
3.1 Electric	**66,518**	**61,200**	**62,400**	**63,700**	**65,000**	**65,000**	**65,000**
3.2 Gas	**4,037**	**4,300**	**4,400**	**4,500**	**4,600**	**4,600**	**4,600**
4.2 Supplies & Other	**52,721**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Equipment Repairs & Maintenance	52,721	20,000	20,000	20,000	20,000	20,000	20,000
882323 Northwest Pumping Station	**78,969**	**81,900**	**83,100**	**84,400**	**85,700**	**85,700**	**85,700**
3.1 Electric	**55,856**	**61,200**	**62,400**	**63,700**	**65,000**	**65,000**	**65,000**
3.3 Sewage Service	**109**	**200**	**200**	**200**	**200**	**200**	**200**
3.4 Water Service	**273**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**22,731**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**
Equipment Repairs & Maintenance	22,731	20,000	**20,000**	20,000	20,000	20,000	20,000
882324 West Service Center Pumping Station	**896,016**	**1,222,900**	**1,155,100**	**1,178,400**	**1,202,200**	**1,226,400**	**1,246,400**
3.1 Electric	**800,761**	**1,122,000**	**1,044,400**	**1,067,300**	**1,090,700**	**1,114,500**	**1,134,500**
3.2 Gas	**31,898**	**10,200**	**20,000**	**20,400**	**20,800**	**21,200**	**21,200**
3.3 Sewage Service	**1,382**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**61,975**	**90,700**	**90,700**	**90,700**	**90,700**	**90,700**	**90,700**
Equipment Repairs & Maintenance	61,975	90,700	90,700	90,700	90,700	90,700	90,700
882325 Michigan Ave Pumping Station	**168,720**	**219,700**	**223,700**	**227,700**	**231,700**	**231,700**	**231,700**
3.1 Electric	**142,899**	**204,000**	**208,000**	**212,000**	**216,000**	**216,000**	**216,000**
3.3 Sewage Service	**86**	**200**	**200**	**200**	**200**	**200**	**200**
3.4 Water Service	**116**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**25,619**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
Buildings & Ground Repairs & Maintenance	308	-	-	-	-	-	-
Equipment Repairs & Maintenance	25,311	15,000	15,000	15,000	15,000	15,000	15,000
882326 West Chicago Rd Pumping Station	**54,597**	**35,600**	**36,100**	**36,700**	**37,300**	**37,900**	**37,900**
3.1 Electric	**32,756**	**28,600**	**29,100**	**29,700**	**30,300**	**30,900**	**30,900**
4.2 Supplies & Other	**21,841**	**7,000**	**7,000**	**7,000**	**7,000**	**7,000**	**7,000**
Equipment Repairs & Maintenance	21,841	7,000	7,000	7,000	7,000	7,000	7,000
882327 Electric Ave Pumping Station	**38,375**	**35,500**	**36,000**	**36,500**	**37,000**	**37,500**	**37,500**
3.1 Electric	**20,499**	**25,500**	**26,000**	**26,500**	**27,000**	**27,500**	**27,500**
4.2 Supplies & Other	**17,876**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**
Equipment Repairs & Maintenance	17,876	10,000	10,000	10,000	10,000	10,000	10,000
882328 Orion Township Pumping Station	**96,304**	**122,500**	**124,200**	**126,000**	**127,900**	**129,800**	**129,800**
3.1 Electric	**79,811**	**92,000**	**93,700**	**95,500**	**97,400**	**99,300**	**99,300**
3.2 Gas	**325**	**500**	**500**	**500**	**500**	**500**	**500**
4.2 Supplies & Other	**16,168**	**30,000**	**30,000**	**30,000**	**30,000**	**30,000**	**30,000**
Equipment Repairs & Maintenance	15,971	30,000	30,000	30,000	30,000	30,000	30,000
Operating Supplies	197	-	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
882329 North Service Center Pumping Station	2,729,864	2,485,000	2,580,900	2,627,700	2,675,300	2,723,900	2,723,900
3.1 Electric	2,232,065	2,244,000	2,288,900	2,334,700	2,381,300	2,428,900	2,428,900
3.2 Gas	61,969	51,000	52,000	53,000	54,000	55,000	55,000
4.2 Supplies & Other	435,830	190,000	240,000	240,000	240,000	240,000	240,000
Equipment Repairs & Maintenance	435,830	190,000	240,000	240,000	240,000	240,000	240,000
882330 Adams Road Pumping Station	807,648	768,400	832,100	846,000	860,200	874,500	874,500
3.1 Electric	729,870	683,400	697,100	711,000	725,200	739,500	739,500
4.2 Supplies & Other	77,778	85,000	135,000	135,000	135,000	135,000	135,000
Equipment Repairs & Maintenance	77,778	85,000	135,000	135,000	135,000	135,000	135,000
882331 Newburgh Pumping Station	437,319	510,000	519,300	528,800	538,000	548,400	548,400
3.1 Electric	396,305	490,000	499,300	508,800	518,000	528,400	528,400
4.2 Supplies & Other	41,014	20,000	20,000	20,000	20,000	20,000	20,000
Equipment Repairs & Maintenance	41,014	20,000	20,000	20,000	20,000	20,000	20,000
882332 Franklin Road Pumping Station	999,839	1,097,000	1,116,400	1,136,100	1,156,300	1,177,700	1,177,700
3.1 Electric	962,688	1,007,000	1,026,400	1,046,100	1,066,300	1,087,700	1,087,700
4.2 Supplies & Other	37,151	90,000	90,000	90,000	90,000	90,000	90,000
Equipment Repairs & Maintenance	33,669	90,000	90,000	90,000	90,000	90,000	90,000
Facilities Repairs & Maintenance	3,482	-	-	-	-	-	-
882333 Roseville Pumping Station	134	300	300	300	300	300	300
3.3 Sewage Service	134	300	300	300	300	300	300
882334 Wick Road Pumping Station	867,548	736,800	758,900	783,900	811,300	832,900	832,900
3.1 Electric	602,820	600,000	612,000	625,000	639,000	651,800	651,800
3.2 Gas	7,952	6,300	6,500	6,600	6,700	6,800	6,800
3.3 Sewage Service	293	500	500	500	500	500	500
4.2 Supplies & Other	236,683	130,000	139,900	151,800	165,100	173,800	173,800
Equipment Repairs & Maintenance	236,164	130,000	139,900	151,800	165,100	173,800	173,800
Inspection and Permit Fees	250	-	-	-	-	-	-
Property Taxes	269	-	-	-	-	-	-
4.3 Contractual Services	19,800	-	-	-	-	-	-
Contractual Operating Services	19,800	-	-	-	-	-	-
882335 Joy Road Pumping Station	753,690	828,100	863,800	879,300	895,200	911,600	911,600
3.1 Electric	624,585	734,400	770,000	785,400	801,100	817,100	817,100
3.2 Gas	4,548	3,200	3,300	3,400	3,600	4,000	4,000
3.3 Sewage Service	236	500	500	500	500	500	500
4.2 Supplies & Other	124,321	90,000	90,000	90,000	90,000	90,000	90,000
Equipment Repairs & Maintenance	124,071	90,000	90,000	90,000	90,000	90,000	90,000
Inspection and Permit Fees	250	-	-	-	-	-	-
882336 Schoolcraft Pumping Station	457,655	506,700	516,200	525,200	536,000	547,200	547,200
3.1 Electric	404,651	433,500	442,200	451,000	460,000	469,200	469,200
3.2 Gas	8,827	8,200	9,000	9,200	11,000	13,000	13,000
4.2 Supplies & Other	44,177	65,000	65,000	65,000	65,000	65,000	65,000
Equipment Repairs & Maintenance	43,927	65,000	65,000	65,000	65,000	65,000	65,000
Inspection and Permit Fees	250	-	-	-	-	-	-
882337 Ypsilanti Pumping Station	531,873	534,300	544,500	555,000	565,200	576,300	576,300
3.1 Electric	458,474	510,000	520,000	530,000	540,000	550,800	550,800
3.2 Gas	12,232	5,300	5,500	6,000	6,200	6,500	6,500
4.2 Supplies & Other	61,167	19,000	19,000	19,000	19,000	19,000	19,000
Equipment Repairs & Maintenance	61,167	19,000	19,000	19,000	19,000	19,000	19,000
882338 Imlay Pumping Station	3,169,240	2,618,300	2,767,100	2,817,500	2,868,300	2,920,600	2,955,600
3.1 Electric	3,057,240	2,463,300	2,612,100	2,662,500	2,713,300	2,765,600	2,800,600
4.2 Supplies & Other	112,000	155,000	155,000	155,000	155,000	155,000	155,000
Equipment Repairs & Maintenance	111,842	155,000	155,000	155,000	155,000	155,000	155,000
Hardware Repairs & Maintenance	158	-	-	-	-	-	-

(*continued on the next page*)

Line-Item Budget and Financial Plan (*continued from previous page*)

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882339 Rochester Pumping Station	**385,245**	**285,300**	**291,000**	**296,700**	**302,600**	**308,200**	**308,200**
3.1 Electric	**348,135**	**230,000**	**235,500**	**241,000**	**246,700**	**251,700**	**251,700**
3.2 Gas	**5,507**	**9,800**	**10,000**	**10,200**	**10,400**	**11,000**	**11,000**
3.3 Sewage Service	**65**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**
4.2 Supplies & Other	**31,538**	**39,500**	**39,500**	**39,500**	**39,500**	**39,500**	**39,500**
Equipment Repairs & Maintenance	31,372	39,500	39,500	39,500	39,500	39,500	39,500
Operating Supplies	166	-	-	-	-	-	-
882340 Haggerty Road Pumping Station	**275,350**	**334,700**	**340,100**	**345,800**	**352,000**	**358,600**	**358,600**
3.1 Electric	**192,873**	**266,200**	**271,500**	**277,000**	**283,000**	**288,700**	**288,700**
3.2 Gas	**12,201**	**7,800**	**7,900**	**8,100**	**8,200**	**9,000**	**9,000**
3.3 Sewage Service	**562**	**700**	**700**	**700**	**800**	**900**	**900**
4.2 Supplies & Other	**69,714**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**	**60,000**
Equipment Repairs & Maintenance	69,714	60,000	**60,000**	60,000	60,000	60,000	60,000
Grand Total	**$ 13,304,230**	**$ 13,052,500**	**$ 13,414,700**	**$ 13,669,400**	**$ 13,931,400**	**$ 14,188,200**	**$ 14,253,200**

Section 5B

Wastewater (Sewer) System Operations

Wastewater (Sewer) System Operations

The Wastewater System Operations area consists of the following departments.

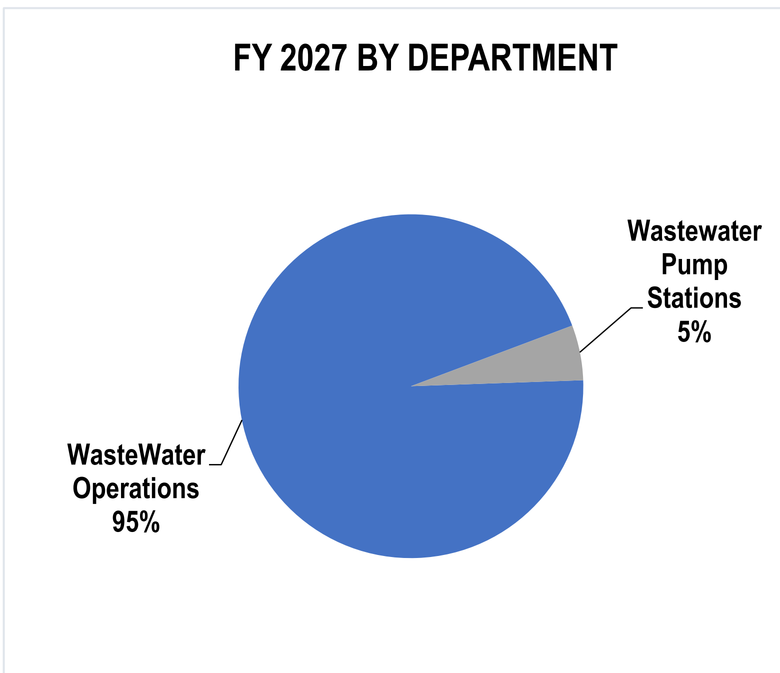
- ❖ Wastewater Operations
- ❖ Wastewater Pump Stations

The detailed budget requests for each department are included in this section.

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Wastewater Systems Operations area with a comparison to the FY 2026 Adopted and Amended Budget.

The allocation of the centralized and administrative services to the Wastewater Systems Operations area, as shown in the Centralized Services Overview (Section 5C) and Administrative Services Overview (Section 5D), has been included in the table below to support the Operations & Maintenance Expense line in Schedule 2 - Core Financial Plan Schedules 2 and 7.



Biennial Budget Request by Expense Category

	FY 2025	FY 2026			FY 2027					FY 2028
		Adopted	Amended	Activity as of	Proposed	Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed
Expense Category	**Actual**	**Budget**	**Budget**	**09.30.2025**	**Budget**	**Adopted**	**Amended**	**Adopted**	**Amended**	**Budget**
2.1 Salaries & Wages	23,385,647	23,895,800	25,065,000	6,607,117	**26,617,400**	**2,721,600**	**1,552,400**	**11.4%**	**6.2%**	28,175,700
2.2 Workforce Development	518,748	691,600	691,600	89,587	**512,600**	**(179,000)**	**(179,000)**	**-25.9%**	**-25.9%**	641,500
2.3 Overtime	3,730,878	3,401,600	3,401,600	953,659	**3,390,500**	**(11,100)**	**(11,100)**	**-0.3%**	**-0.3%**	3,390,500
2.4 Employee Benefits	8,980,889	8,959,600	9,153,800	2,589,334	**9,923,700**	**964,100**	**769,900**	**10.8%**	**8.4%**	10,636,600
2.5 Transition Services	7,602,831	7,328,300	7,328,300	1,871,629	**5,403,500**	**(1,924,800)**	**(1,924,800)**	**-26.3%**	**-26.3%**	5,403,500
Total Personnel Costs	44,218,993	44,276,900	45,640,300	12,111,327	**45,847,700**	**1,570,800**	**207,400**	**3.5%**	**0.5%**	48,247,800
3.1 Electric	17,968,898	19,315,800	18,787,800	4,408,369	**18,514,600**	**(801,200)**	**(273,200)**	**-4.1%**	**-1.5%**	18,897,200
3.2 Gas	6,246,055	5,865,000	5,865,000	1,648,847	**7,807,700**	**1,942,700**	**1,942,700**	**33.1%**	**33.1%**	7,682,600
3.3 Sewage Service	1,364,344	1,659,800	1,659,800	454,991	**1,469,800**	**(190,000)**	**(190,000)**	**-11.4%**	**-11.4%**	1,498,800
3.4 Water Service	10,412,469	12,188,800	12,188,800	3,080,490	**11,151,100**	**(1,037,700)**	**(1,037,700)**	**-8.5%**	**-8.5%**	10,150,100
Total Utility Costs	35,991,766	39,029,400	38,501,400	9,592,696	**38,943,200**	**(86,200)**	**441,800**	**-0.2%**	**1.1%**	38,228,700
4.1 Chemicals	20,273,320	23,460,300	22,284,700	4,513,180	**19,400,100**	**(4,060,200)**	**(2,884,600)**	**-17.3%**	**-12.9%**	19,723,400
4.2 Supplies & Other	20,479,466	19,286,600	19,591,400	4,779,827	**19,745,200**	**458,600**	**153,800**	**2.4%**	**0.8%**	22,051,900
4.3 Contractual Services	30,980,448	29,655,800	30,384,000	7,431,050	**31,921,000**	**2,265,200**	**1,537,000**	**7.6%**	**5.1%**	33,069,600
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(1,598,500)	(269,032)	**(1,393,500)**	**205,000**	**205,000**	**-12.8%**	**-12.8%**	(929,900)
5.2 Shared Services	(527,744)	(714,300)	(714,300)	(164,496)	**(750,300)**	**(36,000)**	**(36,000)**	**5.0%**	**5.0%**	(769,500)
5.5 Intergovermental Agreement	(1,103,422)	-	-	-	**-**	**-**	**-**	**0.0%**	**0.0%**	-
7.0 Unallocated Reserve	-	3,176,400	2,483,600	-	**4,933,400**	**1,757,000**	**2,449,800**	**55.3%**	**98.6%**	7,045,700
Total Other Categories	68,902,152	73,266,300	72,430,900	16,290,528	**73,855,900**	**589,600**	**1,425,000**	**0.8%**	**2.0%**	80,191,200
Total Wastewater System Operations (Operating Area B)	**$ 149,112,911**	**$ 156,572,600**	**$ 156,572,600**	**$ 37,994,551**	**158,646,800**	**2,074,200**	**2,074,200**	**1.3%**	**1.3%**	**$ 166,667,700**
Allocations										
Centralized Services	59,089,584	56,384,100	57,471,900	13,165,841	**54,610,100**	**(1,774,000)**	**(2,861,800)**	**-3.1%**	**-5.0%**	56,169,800
Administrative Services	21,551,487	23,142,000	23,156,300	6,178,065	**24,506,500**	**1,364,500**	**1,350,200**	**5.9%**	**5.8%**	25,573,100
Total Allocations	**$ 80,641,071**	**$ 79,526,100**	**$ 80,628,200**	**$ 19,343,906**	**$ 79,116,600**	**$ (409,500)**	**$ (1,511,600)**	**-0.5%**	**-1.9%**	**$ 81,742,900**
Total Wastewater System Operations & Maintenance Expense	**$ 229,753,982**	**$ 236,098,700**	**$ 237,200,800**	**$ 57,338,457**	**$ 237,763,400**	**$ 1,664,700**	**$ 562,600**	**0.7%**	**0.2%**	**$ 248,410,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 23,385,647	23,895,800	$ 25,065,000	**$ 26,617,400**	$ 28,175,700	$ 29,817,400	$ 29,817,400	$ 29,817,400
2.2 Workforce Development	518,748	691,600	691,600	**512,600**	641,500	810,500	810,500	810,500
2.3 Overtime	3,730,878	3,401,600	3,401,600	**3,390,500**	3,390,500	3,377,000	3,377,000	3,377,000
2.4 Employee Benefits	8,980,889	8,959,600	9,153,800	**9,923,700**	10,636,600	11,416,900	11,509,900	11,602,500
2.5 Transition Services	7,602,831	7,328,300	7,328,300	**5,403,500**	5,403,500	5,403,500	5,403,500	5,403,500
Total Personnel Costs	44,218,993	44,276,900	45,640,300	**45,847,700**	48,247,800	50,825,300	50,918,300	51,010,900
3.1 Electric	17,968,898	19,315,800	18,787,800	**18,514,600**	18,897,200	19,287,900	19,687,000	20,081,000
3.2 Gas	6,246,055	5,865,000	5,865,000	**7,807,700**	7,682,600	7,432,700	7,581,200	7,732,700
3.3 Sewage Service	1,364,344	1,659,800	1,659,800	**1,469,800**	1,498,800	1,528,400	1,558,500	1,589,700
3.4 Water Service	10,412,469	12,188,800	12,188,800	**11,151,100**	10,150,100	11,189,600	11,209,400	11,229,600
Total Utility Costs	35,991,766	39,029,400	38,501,400	**38,943,200**	38,228,700	39,438,600	40,036,100	40,633,000
4.1 Chemicals	20,273,320	23,460,300	22,284,700	**19,400,100**	19,723,400	20,031,500	20,402,300	20,751,100
4.2 Supplies & Other	20,479,466	19,286,600	19,591,400	**19,745,200**	22,051,900	21,702,000	23,008,400	22,602,600
4.3 Contractual Services	30,980,448	29,655,800	30,384,000	**31,921,000**	33,069,600	33,893,400	34,616,300	35,355,200
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(1,598,500)	**(1,393,500)**	(929,900)	(1,048,800)	(1,076,100)	(1,920,400)
5.2 Shared Services	(527,744)	(714,300)	(714,300)	**(750,300)**	(769,500)	(791,300)	(812,100)	(818,100)
5.5 Intergovermental Agreement	(1,103,422)	-	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	3,176,400	2,483,600	**4,933,400**	7,045,700	9,369,000	11,346,000	13,230,100
Total Other Categories	68,902,152	73,266,300	72,430,900	**73,855,900**	80,191,200	83,155,800	87,484,800	89,200,500
Total Wastewater System Operations (Operating Area B)	**$ 149,112,911**	**$ 156,572,600**	**$ 156,572,600**	**$ 158,646,800**	**$ 166,667,700**	**$ 173,419,700**	**$ 178,439,200**	**$ 180,844,400**
Allocations								
Centralized Services	59,089,584	56,384,100	57,471,900	**54,610,100**	56,169,800	58,058,900	60,581,200	62,103,700
Administrative Services	21,551,487	23,142,000	23,156,300	**24,506,500**	25,573,100	26,746,600	27,546,000	28,271,600
Total Allocations	**$ 80,641,071**	**$ 79,526,100**	**$ 80,628,200**	**$ 79,116,600**	**$ 81,742,900**	**$ 84,805,500**	**$ 88,127,200**	**$ 90,375,300**
Total Wastewater System Operations & Maintenance Expense	**$ 229,753,982**	**$ 236,098,700**	**$ 237,200,800**	**$ 237,763,400**	**$ 248,410,600**	**$ 258,225,200**	**$ 266,566,400**	**$ 271,219,700**
Changes in Annual Operations & Maintenance Budget				*0.7%*	*4.5%*	*4.0%*	*3.2%*	*1.7%*

Wastewater Operations

The Wastewater Operations area treats the sanitary and combined sewage from 79 communities with nearly 3 million residents, or nearly 30% of the State of Michigan's population, protecting the receiving waters and safeguarding the publics' health, by meeting or exceeding the requirements outlined under the National Pollutant Discharge Elimination System (NPDES).

Strategic Initiatives

- **Safeguarding the public's health and the environment (Ongoing)**
  This is achieved through compliance with the NPDES permit and partnership with our co-permittee, the Detroit Water and Sewer Department (DWSD), and our member partners, and other stakeholders. This is measured through regular monitoring and reporting to the Michigan Department of Environment, Great Lakes, and Energy (EGLE) as well as a monthly key performance indicators (KPI) report for the management of the effluent phosphorous concentration in relation to the permitted limit. Although significant increases in utility and chemical cost are placing pressures on the operations and maintenance budget, GLWA plans to maintain a high priority for treatment and is committed to returning water of unquestionable quality to the environment.
- **Reliability of processing equipment (Ongoing)**
  This is achieved by focusing on our maintenance program and optimizing our resources in removing defects and stabilizing our maintenance measures. Reliability efforts are measured by monthly reporting of KPIs to management for preventative and corrective maintenance activity. GLWA has implemented an Enterprise Asset Management (EAM) system which will streamline access to asset data by moving from paper to digital mobility. It will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance. It will drive asset decision-making using risk and lowest lifecycle cost approaches for doing the right work at the right time on the right assets.
- **Workforce (Ongoing)**
  Working with Organizational Development, the wastewater operations area is working to build a sustainable employment model. The model includes strategies for recruitment and retention of talented individuals and the continued implementation of apprenticeship programs and workforce development. This is monitored through training records and turn-over tracking.
- **Manage disposal of solids produced through the Water Resource Recovery Facility (Ongoing)**
  By close monitoring of the solids inventory in compliance with the NPDES permit, operations continue to process nearly 75% of biosolids generated for beneficial reuse while incinerating the remaining product with little to no landfill disposal. This is in line with the organization's goals of environmental sustainability. This is monitored by a monthly KPI for management of the solids inventory.
- **Upgrading Control Systems (Ongoing)**
  By establishing several contracts to replace and upgrade our control systems for all wastewater facilities, including the Combined Sewer Overflow (CSO) facilities, the Water Resource Recovery Facility (WRRF), sewage pumping stations, and other sewer linear infrastructure assets. The improvements will increase reliability and visibility for operations.

This also advances the hardening of the system to protect our infrastructure from cybersecurity attacks.

- **Operational Optimization through innovation (Ongoing)**
  By working with the Research and Innovation group to explore opportunities to partner with universities to conduct research at the WRRF. This will also be accomplished by involving the Research and Innovation group in the capital improvement process.
- **Capital Improvement Program delivery (Ongoing)**
  Wastewater Engineering is well positioned to address and manage projects in our CIP plan due to recruiting Life Cycle Project managers, technical management leads and Workforce development.

The following table shows how the wastewater operations strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Wastewater Operations Strategic Initiatives	Safeguarding the publics' health and the environment			x	x	x		x	x			x
	Reliability of processing equipment			x	x	x	x	x	x			
	Workforce		x	x		x	x				x	
	Manage disposal of solids produced through the Water Resource Recovery Facility	x	x	x	x	x	x		x	x		x
	Upgrade Control Systems			x	x	x	x		x			x
	Operational Optimization through innovation	x	x	x	x	x	x	x	x			x
	Capital Improvement Program delivery		x	x	x	x	x		x		x	x

Wastewater Operations Contracts

The Wastewater Operations budget contains several contracts for commodities, services, and maintenance to ensure system reliability, safeguard public health and the environment in compliance with our NPDES permit. The following tables represent current contracts for the services listed. Expired contracts are not presented. Budgeted amounts beyond the contract date are estimates based on past experience in addition to future program plans. These contracts would generally require a separate procurement process. It should be noted that several contracts are shared by multiple areas of GLWA.

Significant Contracts

Project Description	Cyber Security and Ovation, Instrumentation & Controls Upgrades and Updates	Maintenance Service contract for Accusonic Flow Meters	Biosolids Dryer Facility	Fire -Alarms, Sprinklers, Extinguishers- Maintenance & Repair	Uninterrupted Power Supply System Maintenance	HVAC Services	Facilities Maintenance Services	Total Significant Contracts
Prime Consultant or Supplier	Emerson Process Management	Hesco Group Inc	New England Fertilizer Company	Johnson Controls Fire Protection LP	PCI LLC	Johnson Controls	Lakeshore Global Corporation	
Contract #	2101167	1803594	PC-792	2401391	2004474		2102834	
Workday Contract #	SCN-0000347	SCN-0000040	SCN-0000449	SCN-0000399	SCN-0000155	SCN-0000734	SCN-0000255	
Contract Amount	$ 5,535,300	$ 4,428,176	$ 540,000,000	$ 1,916,803	$ 2,298,095	$ 10,959,200	$ 44,881,400	
Contract End Date	03/12/26	04/29/29	10/13/37	03/30/27	11/30/26	11/30/28	07/03/26	
Cost Center Name	Wastewater Process Control	CSO Facilities	Central Off Loading & Hauling	Wastewater Operations & CSO Facilities	Wastewater Director & CSO Facilities	Wastewater Operations & CSO Facilities	Various	
Expense Category	Contract Services	Contract Services and Supplies & Other	Contract Services	Supplies & Other	Contract Services	Supplies & Other	Personnel & Contract Services	
Pre-FY 2025 Spend	$ 359,640	$ 988,800	$ 118,964,500	$ 1,930,900	$ 887,725	$ 4,508,200	$ 61,672,300	
Pre-FY 2025 Average Spend	179,800	197,800	13,995,800	482,700	355,100	1,502,700	7,709,000	
FY 2025 Spend	1,446,900	266,000	17,084,000	638,500	327,100	2,517,400	10,672,100	$ 32,952,000
FY 2026 Amended	816,600	253,700	17,375,300	439,600	343,000	1,421,000	9,823,100	$ 30,472,300
FY 2027	**858,700**	**214,400**	**17,844,400**	**451,300**	**349,900**	**1,982,900**	**8,061,100**	**$ 29,762,700**
FY 2028	863,500	217,300	18,326,200	463,100	356,800	2,022,600	8,113,000	$ 30,362,500
FY 2029	879,600	223,200	18,821,000	475,100	364,100	2,063,200	8,167,300	$ 30,993,500
FY 2030	979,600	226,300	19,329,200	487,200	371,300	2,104,600	8,221,200	$ 31,719,400
FY 2031	1,024,400	232,300	19,715,800	499,800	378,900	2,131,500	8,277,700	$ 32,260,400
Total	**$ 7,228,940**	**$ 2,622,000**	**$ 247,460,400**	**$ 5,385,500**	**$ 3,378,825**	**$ 18,751,400**	**$ 123,007,800**	**$ 218,522,800**

Significant Contracts/Purchase Orders - Chemicals

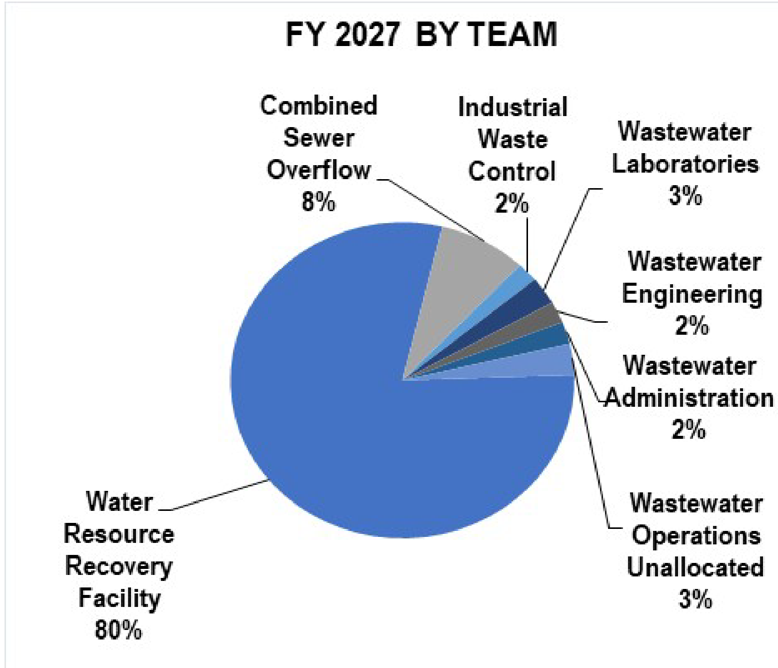
Project Description	Chlorine (90 Ton Tank Cars)	Flocculant, Organic Polymer	Ferric Chloride	Gaseous & Liquid Oxygen and Nitrogen Service	Sodium Bisulfite	Sulfur Dioxide	Sodium Hypochlorite	Total Significant Chemical Contracts
Prime Consultant or Supplier	JCI Jones Chemicals Inc	Polydyne Inc	Kemira Water Solutions	Linde Inc	Sulco Chemicals Limited	PVS Technologies Inc	JCI Jones Chemicals Inc	
Contract #				2102187	PO-0031948	PO-0031088		
Workday Contract #	PO-1003191	PO-0029985	PO-1003996	SCN-0000447			SCN-0000768	
Contract Amount	$ 7,698,600	$ 3,975,098	$ 23,356,200	$ 36,000,000	$ 404,000	$ 980,000	$ 2,833,297	
Contract End Date	03/31/27	01/31/27	05/28/28	08/31/31	07/31/26	04/30/26	12/31/26	
Cost Center Name	Wastewater Secondary Processing	Wastewater Dewatering	Wastewater Primary Processing	Wastewater Secondary Processing	Wastewater Secondary Processing	Wastewater Secondary Processing	CSO Facilities and Wastewater Secondary Processing	
Expense Category	Chemicals - Liquid Chlorine	Chemicals - Polymer	Chemicals - Ferric Chloride	Chemicals	Chemicals	Chemicals	Chemicals	
Pre-FY 2025 Spend	$ 10,143,100	$ 8,088,100	$ 21,442,300	$ 27,846,300	$ 1,182,300	$ 3,137,600	$ 16,692,500	
Pre-FY 2025 Average Spend	1,267,900	1,011,000	2,680,300	3,480,800	168,900	392,200	2,086,600	
FY 2025 Spend	3,484,200	1,567,000	5,262,600	5,000,600	159,700	479,000	4,696,300	$ 20,649,400
FY 2026 Amended	3,888,000	1,355,000	7,498,000	4,519,000	301,000	512,000	3,789,000	$ 21,862,000
FY 2027	**3,942,500**	**1,420,700**	**5,817,100**	**4,431,900**	**222,800**	**515,000**	**2,833,400**	**$ 19,183,400**
FY 2028	4,021,400	1,420,700	5,955,000	4,521,200	227,300	525,300	2,833,400	$ 19,504,300
FY 2029	4,101,800	1,420,700	6,074,100	4,612,400	231,800	535,800	2,833,400	$ 19,810,000
FY 2030	4,183,800	1,420,700	6,195,600	4,705,400	236,400	546,500	2,890,000	$ 20,178,400
FY 2031	4,267,500	1,449,100	6,319,500	4,799,500	241,100	557,400	2,890,000	$ 20,524,100
Total	**$ 38,032,300**	**$ 18,142,000**	**$ 64,564,200**	**$ 60,436,300**	**$ 2,802,400**	**$ 6,808,600**	**$ 39,458,000**	**$ 141,711,600**

Task order Contracts

As a part of the delivery of services for Wastewater Operations, three types of task-oriented contracts have been executed that have multiple pre-qualified vendors for specific tasks. These contracts, known as task-order contracts, are designed to reduce the time spent in the procurement process. These task-oriented contracts are grouped into three key segments: Job Order Contract (Operations and Maintenance), Task Order Engineering Services (Operations and Maintenance as well as Capital Projects), and Instrumentation and Control Maintenance Services (Operations and Maintenance as well as Capital Projects). Each segment contains multiple vendors who can compete for projects within their segment. The expenditure for any project, or task, is controlled by the budget for the area for which that task is requested.

Organization

The GLWA Wastewater Operations Area consists of six teams.

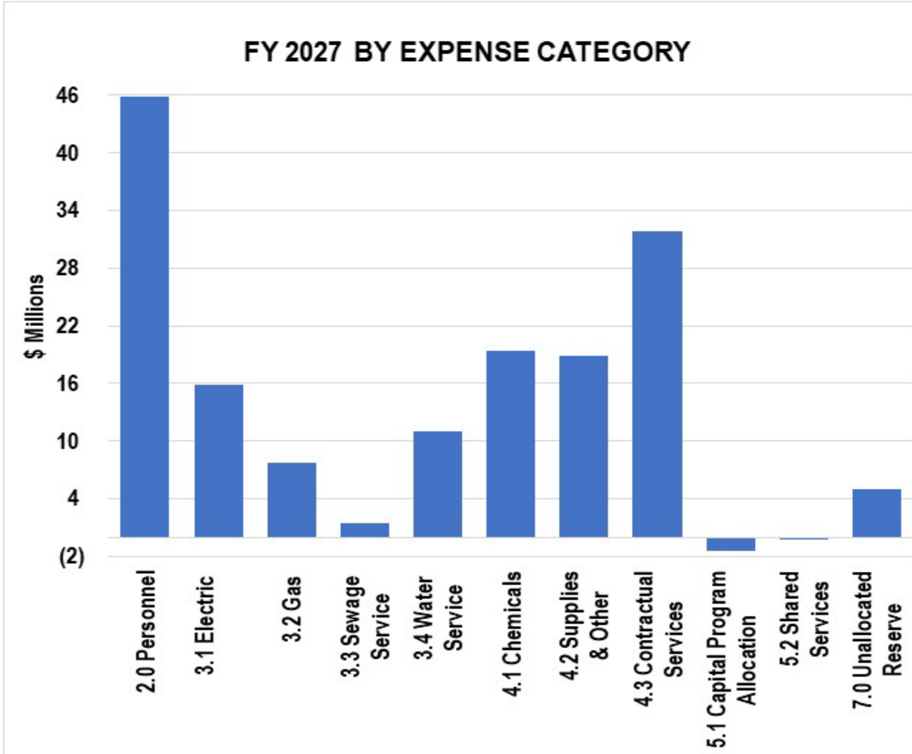


- **Wastewater Administration**
- **Water Resource Recovery Facility (WRRF)**
  Processing plant for the treatment of sewage for the greater metropolitan area.
- **Wastewater Engineering**
  Provide study, design, and construction administration services for improvements to the WRRF, CSO, Wastewater Pumping Stations and sewage conveyance facilities.
- **Wastewater Laboratories**
  Monitoring of pollutants entering and exiting the GLWA sewage treatment facilities.
- **Industrial Waste Control**
  Identification and monitoring of industrial users for pollutants.
- **Combined Sewer Overflow (CSO)**
  Facilities that are utilized to control flow volumes for protecting the system and receiving water during increased system demand such as during rainstorms or snow melt. GLWA currently operates six CSO retention and treatment basins and three screening and disinfection facilities. The Belle Isle retention basin is owned by DWSD and operated by GLWA under a shared services agreement. See Shared Services under Section 6. Each CSO facility has its own cost center. Costs that are applicable to all CSO facilities are budgeted in cost center 892270 - Combined Sewer Overflow.
- **Wastewater Systems Unallocated**
  Funds not apportioned for a specific purpose used for significant unexpected or unbudgeted expenditures.

Expense Categories

There are five major categories of Wastewater Operations expenses in the operations and maintenance budget as listed below.

- ❖ Personnel
- ❖ Contractual Services
- ❖ Chemicals
- ❖ Supplies & Other
- ❖ Electric



As outlined in the strategic initiatives above, the Wastewater Operations area is tasked with the handling and disposal of solids separated through the treatment process. The disposal of these materials makes up most of the contractual services expenditures. As noted in the Significant Contracts, the Biosolids Dryer Facility (BDF), operated by the New England Fertilizer Company, was commissioned in 2016. This facility has greatly reduced the volume of solid waste incinerated and contributed to the elimination of material sent to landfill by processing the product into a renewable resource (fertilizer). Over the past six years an effort has been made to maximize the volume of biological waste being processed by the BDF. The percentage of material processed ranges from approximately 66% to 74% of all biosolids.

The reliability of processing equipment is of primary concern to GLWA, which contributes to much of the maintenance costs. As part of this effort the administration of the Wastewater Operations area has continued to focus on reinforcing a proactive maintenance program. Repairs & Maintenance is the largest portion of Supplies & Other.

Biennial Budget Request

The discussion below compares the FY 2027 budget to the FY 2026 amended budget. The first quarter FY 2026 budget amendments had a net zero impact on the Wastewater Operations and Maintenance budget as the unallocated expense category was reduced to offset the increases made to other expense categories.

The FY 2027 biennial budget reflects an increase of $1.8 million, or 1.2% over the FY 2026 amended budget. Key factors that impact FY 2026 include the following:

- Chemicals decreased by $2.9 million, or 12.9%. The market price for sodium hypochlorite has dropped by 46.3% since the creation of the FY 2026 budget. Additionally, operational volume for ferric chloride required to suffice new Federal Lead & Copper Rule Revisions (LCRR) has been less than estimated for the FY 2026 budget.
- Contractual Services increased by $1.5 million or 5.1%. This increase is mainly due to transferring sewer linear asset maintenance, controls maintenance and sewer integrity program from Field Service Operations and the SCADA operations from the Systems Control Center to Wastewater Operations.
- Personnel costs increased by $0.2 million or 0.5%. This increase is mainly due to increased pay rates, which were either based on market adjustments necessary to retain personnel or changes in compensation of team members who attained a higher level of education and licensing.
- Overall, Utilities increased $0.2 million or 0.5%. Each category is discussed below. Additional information is discussed in Section 6 - Utilities.
    - Electric decreased $0.5 million or 3.0%. The Michigan Public Service Commission reduced the Power Supply Cost Recovery Factor (PSCR) in late 2024. Due to timing, the effect was reflected more in the FY 2027 budget than the FY 2026 budget.
    - Water Service costs decreased at the Water Resource Recovery Facility and Combined Sewer Overflow facilities $1.0 million or 8.5%. Wastewater team members continue to identify opportunities for water conservation and improvements for water reuse which will reduce the need for purchased treated water.
    - Sewer Service decreased $0.2 million or 11.5%. Sewage charges are volume driven. Projections for FY 2027 and beyond are based on recent average volume usage.
    - Gas increased $1.9 million or 32.6%. Market prices for natural gas are expected to increase by 25% from end of FY 2025 to FY 2027.
- Supplies & Other increased by 91,100 or 0.5%, which is considered steady for budgetary purposes.
- The unallocated reserve is set aside for unexpected expenditures that occur after the budget is adopted. The first quarter budget amendment for FY 2026 utilized $0.7 million of the original $3.2 million adopted for annual wage increases in July. This expense category when compared to the original adopted budget increased by $1.8 million. The unallocated reserve has been fully utilized in previous years to offset budget amendments needed in other expense categories, therefore the need to increase this expense category for unknown items when the budget is adopted.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 44,218,993	$ 45,640,300	$ 12,111,327	**$ 45,847,700**	**$ 207,400**	**0.5%**	$ 48,247,800
3.1 Electric	14,378,462	16,361,700	3,281,081	**15,865,600**	**(496,100)**	**-3.0%**	16,184,800
3.2 Gas	6,159,309	5,804,400	1,653,637	**7,699,300**	**1,894,900**	**32.6%**	7,575,900
3.3 Sewage Service	1,353,730	1,649,800	451,948	**1,459,700**	**(190,100)**	**-11.5%**	1,488,600
3.4 Water Service	10,334,775	12,102,300	3,069,150	**11,070,700**	**(1,031,600)**	**-8.5%**	10,068,100
4.1 Chemicals	20,273,320	22,284,700	4,513,180	**19,400,100**	**(2,884,600)**	**-12.9%**	19,723,400
4.2 Supplies & Other	18,568,457	18,724,400	4,570,560	**18,815,500**	**91,100**	**0.5%**	21,103,700
4.3 Contractual Services	30,960,739	30,373,300	7,296,417	**31,910,300**	**1,537,000**	**5.1%**	33,058,900
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	(269,032)	**(1,393,500)**	**205,000**	**-12.8%**	(929,900)
5.2 Shared Services	(346,427)	(236,600)	(65,409)	**(250,500)**	**(13,900)**	**5.9%**	(260,000)
5.5 Intergovermental Agreement	(38,765)	-	-	**-**	**-**	**-**	-
7.0 Unallocated Reserve	-	2,483,600	-	**4,933,400**	**2,449,800**	**98.6%**	7,045,700
Grand Total	**$ 144,662,677**	**$ 153,589,400**	**$ 36,612,859**	**$ 155,358,300**	**$ 1,768,900**	**1.2%**	**$ 163,307,000**

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Wastewater Administration	$ 3,084,594	$ 3,258,100	$ 974,628	**$ 3,531,300**	**$ 273,200**	**8.4%**	$ 3,695,500
Water Resource Recovery Facility	115,927,808	123,622,300	29,646,881	**123,176,900**	**(445,400)**	**-0.4%**	127,243,200
Wastewater Engineering	3,240,325	3,365,400	899,411	**3,414,500**	**49,100**	**1.5%**	4,419,200
Industrial Waste Control	2,660,848	3,190,000	726,627	**3,080,800**	**(109,200)**	**-3.4%**	3,303,500
Wastewater Laboratories	4,549,466	4,115,700	1,176,221	**4,395,200**	**279,500**	**6.8%**	4,600,400
Combined Sewer Overflow	15,199,636	13,554,300	3,189,090	**12,826,200**	**(728,100)**	**-5.4%**	12,999,500
Wastewater System Operations Unallocated Reserve	-	2,483,600	-	**4,933,400**	**2,449,800**	**98.6%**	7,045,700
Grand Total	**$ 144,662,677**	**$ 153,589,400**	**$ 36,612,859**	**$ 155,358,300**	**$ 1,768,900**	**1.2%**	**$ 163,307,000**

Personnel Budget

Wastewater Operations personnel expense is largely comprised of wastewater operations and maintenance staffing of 465 positions. Most of the positions reside in maintenance and operations at the WRRF (305 positions). The staffing plan decreased by 10 positions. Five Utility Technicians, three Facilities Technicians, and two Chemists which were planned in the FY 2026 biennial budget have been deferred until FY 2032.

Staffing Plan- Number of Positions – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is currently vacant.

Staffing Plan (includes interns)

Team Member Type	Staffing Plan						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**420.00**	**419.00**	**409.00**	**409.00**	**409.00**	**409.00**	**409.00**
Wastewater Administration	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Water Resource Recovery Facility	268.00	268.00	260.00	260.00	260.00	260.00	260.00
Wastewater Engineering	38.00	37.00	37.00	37.00	37.00	37.00	37.00
Industrial Waste Control	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Wastewater Laboratories	39.00	39.00	37.00	37.00	37.00	37.00	37.00
Combined Sewer Overflow	27.00	27.00	27.00	27.00	27.00	27.00	27.00
Transitional Contractor	**32.00**	**34.00**	**34.00**	**34.00**	**34.00**	**34.00**	**34.00**
Water Resource Recovery Facility	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Wastewater Engineering	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Combined Sewer Overflow	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Apprentice	**11.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**
Water Resource Recovery Facility	9.00	12.00	12.00	12.00	12.00	12.00	12.00
Combined Sewer Overflow	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Intern	**0.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**
Water Resource Recovery Facility	0.00	5.00	2.00	2.00	2.00	2.00	2.00
Wastewater Engineering	0.00	0.00	2.00	2.00	2.00	2.00	2.00
Industrial Waste Control	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater Laboratories	0.00	1.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**463.00**	**475.00**	**465.00**	**465.00**	**465.00**	**465.00**	**465.00**

Full Time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted, based upon a standard of 2,080 hours per year.

Full Time Equivalents (includes interns)

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wastewater System Operations	**397.75**	**387.00**	**389.50**	**413.25**	**439.50**	**439.50**	**439.50**
Wastewater Administration	15.25	14.50	16.00	17.00	18.00	18.00	18.00
Water Resource Recovery Facility	262.00	257.50	255.50	271.50	289.75	289.75	289.75
Wastewater Engineering	33.50	27.00	27.75	31.75	35.50	35.50	35.50
Industrial Waste Control	25.25	27.00	27.75	28.25	29.25	29.25	29.25
Wastewater Laboratories	33.00	30.50	33.00	34.75	36.50	36.50	36.50
Combined Sewer Overflow	28.75	30.50	29.50	30.00	30.50	30.50	30.50

Personnel Budget – The following tables present the Wastewater Operations personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in category 7.0 Unallocated Reserve as shown in the Five-Year Financial Plan that follows this section.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Wastewater System Operations							
2.1 Salaries & Wages	$ 23,385,647	$ 25,065,000	$ 6,607,117	**$ 26,617,400**	**$ 1,552,400**	**6.2%**	$ 28,175,700
2.2 Workforce Development	518,748	691,600	89,587	**512,600**	**(179,000)**	**-25.9%**	641,500
2.3 Overtime	3,730,878	3,401,600	953,659	**3,390,500**	**(11,100)**	**-0.3%**	3,390,500
2.4 Employee Benefits	8,980,889	9,153,800	2,589,334	**9,923,700**	**769,900**	**8.4%**	10,636,600
2.5 Transition Services	7,602,831	7,328,300	1,871,629	**5,403,500**	**(1,924,800)**	**-26.3%**	5,403,500
Grand Total	**$ 44,218,993**	**$ 45,640,300**	**$ 12,111,327**	**$ 45,847,700**	**$ 207,400**	**0.5%**	**$ 48,247,800**

Personnel – Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Wastewater System Operations							
Wastewater Administration	$ 2,101,827	$ 2,361,600	$ 690,834	**$ 2,573,100**	**$ 211,500**	**9.0%**	$ 2,709,200
Water Resource Recovery Facility	29,191,753	29,849,900	8,077,784	**29,725,900**	**(124,000)**	**-0.4%**	31,174,600
Wastewater Engineering	2,979,684	3,849,100	806,040	**3,692,300**	**(156,800)**	**-4.1%**	4,211,100
Wastewater Laboratories	2,481,571	3,417,000	931,157	**3,665,900**	**248,900**	**7.3%**	3,856,500
Industrial Waste Control	3,247,872	2,651,600	668,741	**2,678,300**	**26,700**	**1.0%**	2,736,000
Combined Sewer Overflow	4,216,286	3,511,100	936,772	**3,512,200**	**1,100**	**0.0%**	3,560,400
Grand Total	**$ 44,218,993**	**$ 45,640,300**	**$ 12,111,327**	**$ 45,847,700**	**$ 207,400**	**0.5%**	**$ 48,247,800**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Wastewater System Operations							
2.1 Salaries & Wages	$ 23,385,647	$ 25,065,000	**$ 26,617,400**	$ 28,175,700	$ 29,817,400	$ 29,817,400	$ 29,817,400
2.2 Workforce Development	518,748	691,600	**512,600**	641,500	810,500	810,500	810,500
2.3 Overtime	3,730,878	3,401,600	**3,390,500**	3,390,500	3,377,000	3,377,000	3,377,000
2.4 Employee Benefits	8,980,889	9,153,800	**9,923,700**	10,636,600	11,416,900	11,509,900	11,602,500
2.5 Transition Services	7,602,831	7,328,300	**5,403,500**	5,403,500	5,403,500	5,403,500	5,403,500
Grand Total	**$ 44,218,993**	**$ 45,640,300**	**$ 45,847,700**	**$ 48,247,800**	**$ 50,825,300**	**$ 50,918,300**	**$ 51,010,900**

Personnel – Five-Year Financial Plan by Team

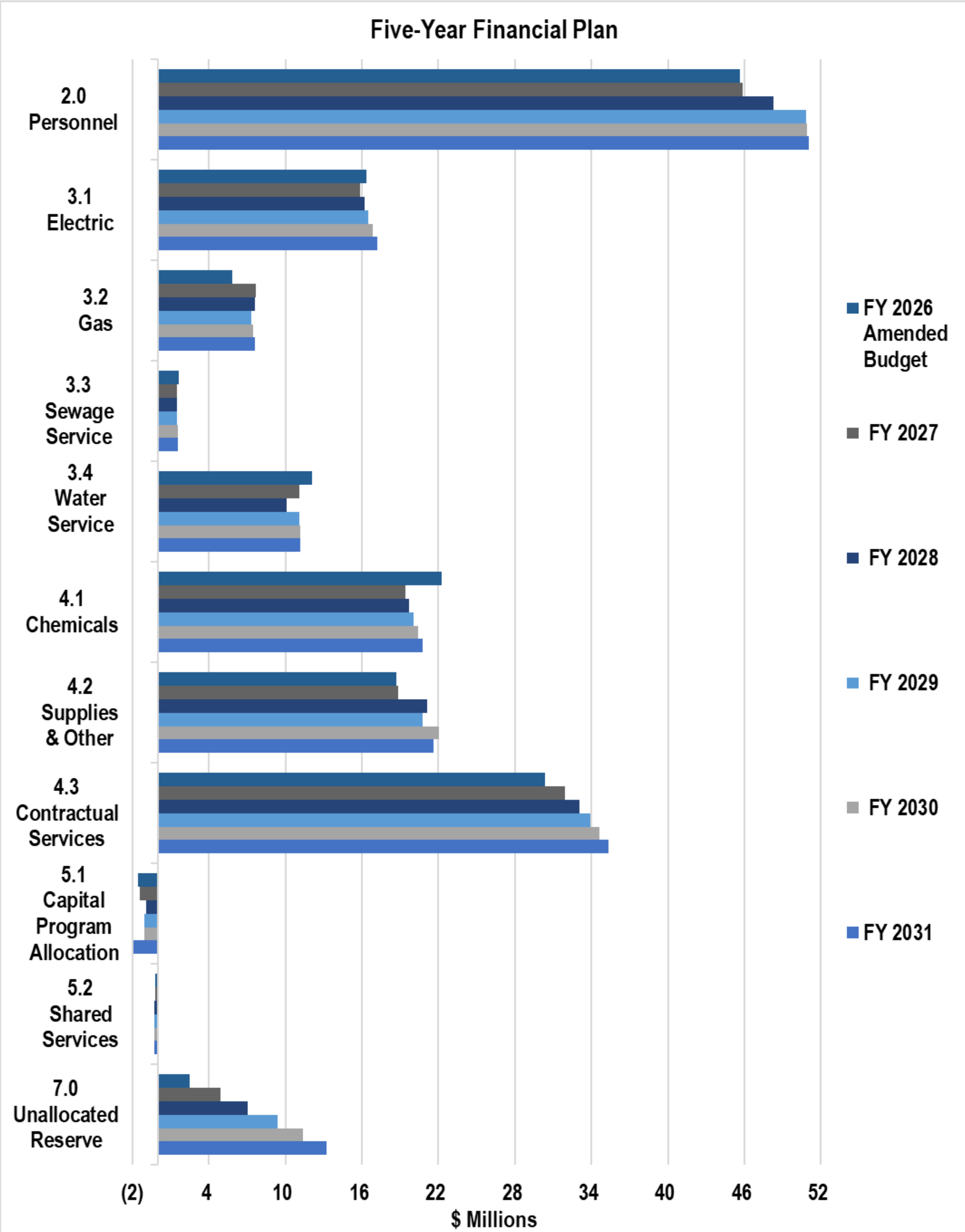
Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Wastewater System Operations							
Wastewater Administration	$ 2,101,827	$ 2,361,600	**$ 2,573,100**	$ 2,709,200	$ 2,846,600	$ 2,850,700	$ 2,854,800
Water Resource Recovery Facility	29,191,753	29,849,900	**29,725,900**	31,174,600	32,775,400	32,835,200	32,894,600
Wastewater Engineering	2,979,684	3,849,100	**3,692,300**	4,211,100	4,711,400	4,718,900	4,726,500
Wastewater Laboratories	2,481,571	3,417,000	**3,665,900**	3,856,500	4,049,300	4,057,400	4,065,500
Industrial Waste Control	3,247,872	2,651,600	**2,678,300**	2,736,000	2,846,200	2,852,900	2,859,500
Combined Sewer Overflow	4,216,286	3,511,100	**3,512,200**	3,560,400	3,596,400	3,603,200	3,610,000
Grand Total	**$ 44,218,993**	**$ 45,640,300**	**$ 45,847,700**	**$ 48,247,800**	**$ 50,825,300**	**$ 50,918,300**	**$ 51,010,900**

Five-Year Financial Plan

The five-year financial plan presented aligns with the Wastewater Master Plan (WWMP). This plan takes into consideration the elements of the WWMP, including continuation of condition assessments to ensure our current assets are in good working order. It also takes into account operations and maintenance requirements on future capital projects that are identified in Phase 1 of the WWMP.

Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
2.0 Personnel	$ 44,218,993	$ 45,640,300	**$ 45,847,700**	$ 48,247,800	$ 50,825,300	$ 50,918,300	$ 51,010,900
3.1 Electric	14,378,462	16,361,700	**15,865,600**	16,184,800	16,510,300	16,842,500	17,179,500
3.2 Gas	6,159,309	5,804,400	**7,699,300**	7,575,900	7,329,500	7,476,000	7,625,400
3.3 Sewage Service	1,353,730	1,649,800	**1,459,700**	1,488,600	1,518,100	1,548,100	1,579,100
3.4 Water Service	10,334,775	12,102,300	**11,070,700**	10,068,100	11,105,900	11,124,000	11,142,500
4.1 Chemicals	20,273,320	22,284,700	**19,400,100**	19,723,400	20,031,500	20,402,300	20,751,100
4.2 Supplies & Other	18,568,457	18,724,400	**18,815,500**	21,103,700	20,768,500	22,056,300	21,631,500
4.3 Contractual Services	30,960,739	30,373,300	**31,910,300**	33,058,900	33,881,300	34,604,200	35,341,700
5.1 Capital Program Allocation	(1,199,916)	(1,598,500)	**(1,393,500)**	(929,900)	(1,048,800)	(1,076,100)	(1,920,400)
5.2 Shared Services	(346,427)	(236,600)	**(250,500)**	(260,000)	(270,900)	(281,600)	(276,300)
5.5 Intergovermental Agreement	(38,765)	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	2,483,600	**4,933,400**	7,045,700	9,369,000	11,346,000	13,230,100
Grand Total	**$ 144,662,677**	**$ 153,589,400**	**$ 155,358,300**	**$ 163,307,000**	**$ 170,019,700**	**$ 174,960,000**	**$ 177,295,100**


Five-Year Financial Plan
2.0 Personnel
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.1 Chemicals
4.2 Supplies & Other
4.3 Contractual Services
5.1 Capital Program Allocation
5.2 Shared Services
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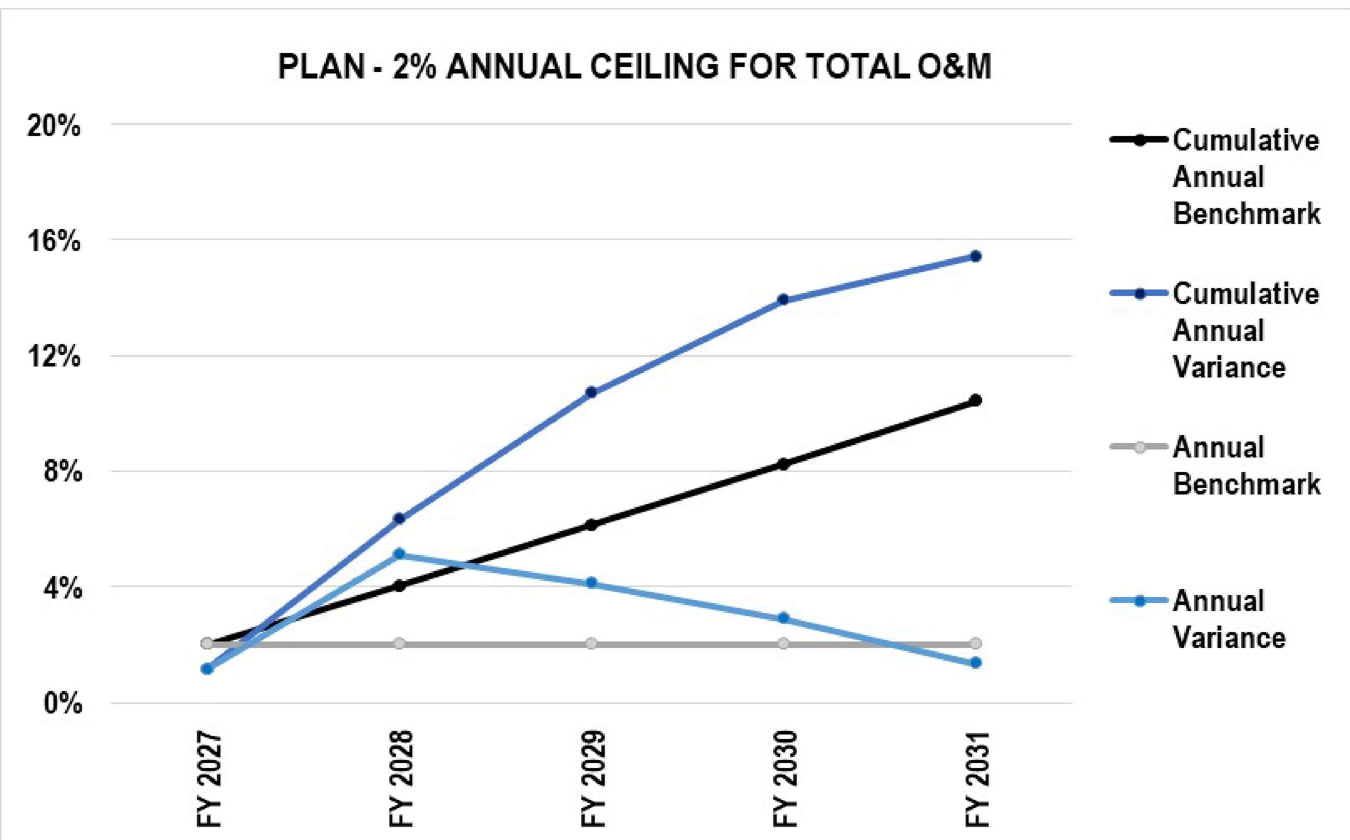
FY 2028
FY 2029
FY 2030
FY 2031

Five-Year Financial Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Wastewater Administration	$ 3,084,594	$ 3,258,100	**$ 3,531,300**	$ 3,695,500	$ 3,835,500	$ 3,870,000	$ 3,876,600
Water Resource Recovery Facility	115,927,808	123,622,300	**123,176,900**	127,243,200	130,573,200	133,406,200	134,464,600
Wastewater Engineering	3,240,325	3,365,400	**3,414,500**	4,419,200	4,823,400	4,826,800	4,013,700
Industrial Waste Control	2,660,848	3,190,000	**3,080,800**	3,303,500	3,433,000	3,313,100	3,320,900
Wastewater Laboratories	4,549,466	4,115,700	**4,395,200**	4,600,400	4,808,100	4,831,600	4,855,000
Combined Sewer Overflow	15,199,636	13,554,300	**12,826,200**	12,999,500	13,177,500	13,366,300	13,534,200
Wastewater System Operations Unallocated Reserve	-	2,483,600	**4,933,400**	7,045,700	9,369,000	11,346,000	13,230,100
Grand Total	**$ 144,662,677**	**$ 153,589,400**	**$ 155,358,300**	**$ 163,307,000**	**$ 170,019,700**	**$ 174,960,000**	**$ 177,295,100**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Wastewater Operations financial plan reflects a five-year overall increase of 15.4% which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The largest contributors to this growth are personnel and unallocated reserve. An increase in FTE through FY 2029 at the WRRF to equal the staffing plan is the main driver of the increase in personnel costs.



Capital Outlay

Wastewater Operations capital outlay is funded by the Improvement & Extension (I&E) budget. The increase in the Machinery & Equipment category is due to replacing and upgrading cybersecurity equipment at WRRF and multiple CSO basins, along with rebuilding rectangular tanks and a clarifier at the WRRF. The increase in Buildings/Structures is due to scheduled elevator replacements. The decrease for Vehicles is for the purchase of a new dump truck for use at the WRRF in FY 2026.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2030**
Improvement & Extension	**$ 9,428,100**	**$ 12,832,300**	**$ 11,815,000**	**$ 10,627,500**	**$ 10,568,500**	**$ 10,073,800**
Building/Structures	**700,000**	**1,109,100**	**937,100**	**388,400**	**388,400**	**388,400**
Machinery & Equipment	**8,528,100**	**11,723,200**	**10,877,900**	**10,239,100**	**9,756,100**	**9,685,400**
Computers & IT	-	194,000	96,000	-	-	167,000
Controls & Communication	3,333,500	5,475,700	5,346,600	5,643,700	5,302,300	5,345,100
Flow Measuring & Meters	20,000	33,000	35,000	20,000	-	600,000
Furniture & Fixtures	7,000	-	-	-	-	-
Heavy Equipment & Misc	-	395,000	250,000	-	-	-
Laboratory	30,000	161,000	40,000	71,500	40,000	71,500
Pipes, Gates & Valves	318,700	214,100	300,000	306,900	120,600	42,800
Process Equipment/Treatment	2,695,500	3,814,300	3,555,100	3,152,400	3,263,200	2,162,000
Pumps & Motors < 25mgd	1,547,400	1,329,600	1,203,200	937,600	994,800	1,270,000
Tools, Shop & Warehouse	576,000	106,500	52,000	107,000	35,200	27,000
Vehicles	**200,000**	**-**	**-**	**-**	**424,000**	**-**
Heavy Truck	200,000	-	-	-	-	-
Utility Vehicle	-	-	-	-	424,000	-
Grand Total	**$ 9,428,100**	**$ 12,832,300**	**$ 11,815,000**	**$ 10,627,500**	**$ 10,568,500**	**$ 10,073,800**

Five-Year Capital Outlay by Funding Source

	Actual	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Improvement & Extension	$ 5,902,798	$ 9,428,100	$ 12,832,300	$ 11,815,000	$ 10,627,500	$ 10,568,500	$ 10,073,800
Grand Total	**$ 5,902,798**	**$ 9,428,100**	**$ 12,832,300**	**$ 11,815,000**	**$ 10,627,500**	**$ 10,568,500**	**$ 10,073,800**

Five-Year Capital Outlay by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Water Resource Recovery Facility	**$ 4,629,055**	**$ 8,253,000**	**$ 10,894,000**	**$ 9,583,700**	**$ 9,370,000**	**$ 9,195,800**	**$ 8,602,300**
Wastewater Engineering	**100,597**	**-**	**13,000**	**-**	**-**	**-**	**-**
Industrial Waste Control	**-**	**7,000**	**26,000**	**-**	**26,500**	**-**	**26,500**
Wastewater Laboratories	**66,156**	**30,000**	**135,000**	**40,000**	**45,000**	**40,000**	**45,000**
Combined Sewer Overflow	**1,106,990**	**1,138,100**	**1,764,300**	**2,191,300**	**1,186,000**	**1,332,700**	**1,400,000**
Puritan Fenkell CSO	57,600	-	290,000	700,000	20,000	44,000	100,000
7 Mile CSO	-	14,000	-	8,400	60,000	8,600	100,000
Hubble Southfield CSO	156,955	189,700	695,700	293,600	267,600	319,600	100,000
Leib CSO	98,103	67,300	58,700	110,300	51,700	53,300	100,000
St Aubin CSO	660	18,500	19,100	49,700	20,300	80,900	100,000
Conner Creek CSO	535,831	397,500	367,500	446,600	482,000	516,000	100,000
Baby Creek CSO	257,841	451,100	248,300	582,700	263,400	310,300	700,000
Oakwood CSO	-	-	85,000	-	21,000	-	100,000
Grand Total	**$ 5,902,798**	**$ 9,428,100**	**$ 12,832,300**	**$ 11,815,000**	**$ 10,627,500**	**$ 10,568,500**	**$ 10,073,800**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
892001 Chief Operating Officer Wastewater	**$ 2,744,594**	**$ 2,904,100**	**$ 3,191,300**	**$ 3,355,500**	**$ 3,495,500**	**$ 3,530,000**	**$ 3,536,600**
2.1 Salaries & Wages	**1,663,620**	**1,846,600**	**1,999,300**	**2,099,800**	**2,201,000**	**2,201,000**	**2,201,000**
2.3 Overtime	**67**	**200**	**200**	**200**	**200**	**200**	**200**
2.4 Employee Benefits	**438,140**	**514,800**	**573,600**	**609,200**	**645,400**	**649,500**	**653,600**
4.2 Supplies & Other	**460,762**	**375,900**	**448,300**	**473,000**	**472,200**	**499,100**	**498,000**
Memberships, Licenses & Subscriptions	174,913	57,100	76,100	77,600	79,100	80,700	82,300
Mileage and Parking	6,959	500	500	500	500	500	500
Office Supplies	8,321	6,600	6,700	6,800	6,900	7,000	7,100
Operating Supplies	206	-	-	-	-	-	-
Postage	9	-	-	-	-	-	-
Training and Internal Meetings	238,338	261,700	314,000	336,100	332,700	356,800	352,900
Travel	31,116	50,000	51,000	52,000	53,000	54,100	55,200
Tuition Refund	900	-	-	-	-	-	-
4.3 Contractual Services	**182,005**	**166,600**	**169,900**	**173,300**	**176,700**	**180,200**	**183,800**
Contractual Operating Services	92,005	166,600	169,900	173,300	176,700	180,200	183,800
Contractual Professional Services	90,000	-	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
892201 Wastewater Director	**10,706,688**	**9,243,700**	**8,586,500**	**8,839,300**	**9,066,200**	**9,133,200**	**9,201,500**
2.1 Salaries & Wages	**2,071,187**	**2,219,400**	**2,702,400**	**2,841,900**	**2,960,700**	**2,960,700**	**2,960,700**
2.2 Workforce Development	**87,346**	**183,000**	**94,600**	**94,600**	**94,600**	**94,600**	**94,600**
2.3 Overtime	**368,959**	**393,400**	**327,100**	**327,100**	**327,100**	**327,100**	**327,100**
2.4 Employee Benefits	**821,581**	**815,500**	**1,027,500**	**1,085,200**	**1,136,500**	**1,145,700**	**1,154,900**
2.5 Transition Services	**2,879,118**	**2,101,800**	**1,344,400**	**1,344,400**	**1,344,400**	**1,344,400**	**1,344,400**
4.1 Chemicals	**7,538**	**5,500**	**5,500**	**5,500**	**5,500**	**5,500**	**5,500**
4.2 Supplies & Other	**512,504**	**417,700**	**431,500**	**440,100**	**448,900**	**457,800**	**467,000**
Capital Outlay less than $5,000	5,498	25,000	25,500	26,000	26,500	27,000	27,500
Equipment Repairs & Maintenance	501,563	391,100	404,400	412,500	420,800	429,200	437,900
Memberships, Licenses & Subscriptions	968	600	600	600	600	600	600
Office Supplies	4,681	1,000	1,000	1,000	1,000	1,000	1,000
Operating Supplies	(206)	-	-	-	-	-	-
4.3 Contractual Services	**3,958,455**	**3,107,400**	**2,653,500**	**2,700,500**	**2,748,500**	**2,797,400**	**2,847,300**
Contractual Operating Services	3,958,455	3,107,400	2,653,500	2,700,500	2,748,500	2,797,400	2,847,300
892211 Wastewater Engineering	**3,240,325**	**3,365,400**	**3,414,500**	**4,419,200**	**4,823,400**	**4,826,800**	**4,013,700**
2.1 Salaries & Wages	**2,266,804**	**2,654,900**	**2,587,600**	**2,975,600**	**3,349,300**	**3,349,300**	**3,349,300**
2.2 Workforce Development	**13,610**	**-**	**27,400**	**27,400**	**27,400**	**27,400**	**27,400**
2.3 Overtime	**48,013**	**156,200**	**40,000**	**40,000**	**40,000**	**40,000**	**40,000**
2.4 Employee Benefits	**651,257**	**808,000**	**807,600**	**938,400**	**1,065,000**	**1,072,500**	**1,080,100**
2.5 Transition Services	**-**	**230,000**	**229,700**	**229,700**	**229,700**	**229,700**	**229,700**
4.2 Supplies & Other	**65,270**	**45,100**	**46,000**	**46,900**	**47,800**	**48,700**	**49,600**
Capital Outlay over $5k(O&M-NonCapitlzd)	44,827	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	1,222	5,500	5,600	5,700	5,800	5,900	6,000
Mileage and Parking	8,054	29,200	29,800	30,400	31,000	31,600	32,200
Office Supplies	6,719	5,400	5,500	5,600	5,700	5,800	5,900
Operating Supplies	2,448	3,000	3,100	3,200	3,300	3,400	3,500
Tuition Refund	2,000	2,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	**1,395,287**	**1,069,700**	**1,069,700**	**1,091,100**	**1,113,000**	**1,135,300**	**1,158,000**
Contractual Operating Services	688,842	-	-	-	-	-	-
Contractual Professional Services	706,445	1,069,700	1,069,700	1,091,100	1,113,000	1,135,300	1,158,000
5.1 Capital Program Allocation	**(1,199,916)**	**(1,598,500)**	**(1,393,500)**	**(929,900)**	**(1,048,800)**	**(1,076,100)**	**(1,920,400)**
Capital Program: Employee Benefits	(215,556)	(356,200)	(322,100)	(386,300)	(451,600)	(454,800)	(457,900)
Capital Program: Salaries & Wages-Direct	(984,360)	(1,242,300)	(1,071,400)	(543,600)	(597,200)	(621,300)	(1,462,500)

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892221 Wastewater Operations	**33,779,806**	**38,429,000**	**40,493,700**	**40,565,400**	**42,097,300**	**42,602,800**	**43,169,100**
2.1 Salaries & Wages	**1,347,255**	**1,382,300**	**1,688,400**	**1,782,900**	**1,932,900**	**1,932,900**	**1,932,900**
2.2 Workforce Development	**12,631**	**36,500**	**22,300**	**35,100**	**61,100**	**61,100**	**61,100**
2.3 Overtime	**297,104**	**181,300**	**289,700**	**289,700**	**289,700**	**289,700**	**289,700**
2.4 Employee Benefits	**492,341**	**468,000**	**593,200**	**637,700**	**709,300**	**714,800**	**720,200**
2.5 Transition Services	**12,954**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 Electric	**12,128,663**	**13,766,900**	**13,350,000**	**13,617,000**	**13,889,300**	**14,167,100**	**14,450,400**
3.2 Gas	**3,564,625**	**3,382,900**	**4,455,800**	**4,384,500**	**4,241,900**	**4,326,700**	**4,413,200**
3.3 Sewage Service	**471,640**	**582,600**	**500,000**	**510,000**	**520,200**	**530,600**	**541,200**
3.4 Water Service	**9,576,405**	**11,094,300**	**10,200,000**	**9,180,000**	**10,200,000**	**10,200,000**	**10,200,000**
4.1 Chemicals	**-**	**4,000**	**4,100**	**4,200**	**4,300**	**4,400**	**4,500**
4.2 Supplies & Other	**5,136,316**	**4,889,400**	**5,388,600**	**5,785,700**	**5,893,900**	**6,004,300**	**6,118,200**
Capital Outlay less than $5,000	22,385	13,300	13,600	13,900	14,200	14,500	14,800
Equipment Repairs & Maintenance	93,386	1,643,800	1,754,700	1,789,800	1,825,600	1,862,100	1,899,400
Facilities Repairs & Maintenance	4,362,796	2,373,000	2,926,300	3,281,600	3,347,300	3,414,300	3,482,600
Inspection and Permit Fees	329,245	264,000	304,000	304,000	304,000	304,000	304,000
Inventory - Reserve for Obsolescence	13,632	-	-	-	-	-	-
Janitorial	64,075	58,000	59,200	60,400	61,600	62,800	64,100
Memberships, Licenses & Subscriptions	290	15,000	1,200	1,200	1,200	1,200	1,200
Office Supplies	8,368	32,000	28,700	29,200	29,700	30,300	30,900
Operating Supplies	168,559	409,500	218,500	221,600	224,700	227,900	232,300
Tuition Refund	-	-	-	-	-	-	-
Uniforms, Laundry, Cleaning	73,580	80,800	82,400	84,000	85,600	87,200	88,900
4.3 Contractual Services	**739,872**	**2,640,800**	**4,001,600**	**4,338,600**	**4,354,700**	**4,371,200**	**4,437,700**
Contract Services-Building Maintenance	674,242	583,000	663,000	676,300	689,800	703,600	717,700
Contractual Operating Services	65,630	2,057,800	2,288,600	2,612,300	2,614,900	2,617,600	2,670,000
Contractual Professional Services	-	-	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
892222 Wastewater Process Control	**4,477,075**	**3,953,000**	**4,582,300**	**4,749,300**	**5,100,700**	**5,292,100**	**5,429,500**
2.1 Salaries & Wages	**1,615,481**	**1,848,600**	**1,901,200**	**2,071,600**	**2,233,500**	**2,233,500**	**2,233,500**
2.2 Workforce Development	**2,975**	**-**	**9,100**	**9,100**	**9,100**	**9,100**	**9,100**
2.3 Overtime	**83,792**	**66,700**	**63,000**	**63,000**	**60,900**	**60,900**	**60,900**
2.4 Employee Benefits	**520,437**	**579,300**	**622,000**	**688,400**	**754,100**	**759,800**	**765,500**
2.5 Transition Services	**45,458**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**577,871**	**421,900**	**439,300**	**402,000**	**440,300**	**493,500**	**520,000**
Capital Outlay less than $5,000	-	9,000	-	-	-	-	-
Equipment Repairs & Maintenance	38,625	44,500	30,000	-	-	25,000	30,000
Hardware Repairs & Maintenance	484,854	320,000	175,000	166,000	194,300	212,400	223,200
Office Supplies	4,826	-	-	-	-	-	-
Operating Supplies	1,038	18,300	-	-	-	-	-
Software Repairs & Maintenance	47,953	28,600	234,300	236,000	246,000	256,100	266,800
Tuition Refund	575	1,500	-	-	-	-	-
4.3 Contractual Services	**1,859,463**	**1,197,600**	**1,716,900**	**1,692,900**	**1,789,400**	**1,931,300**	**2,046,300**
Contractual Operating Services	1,241,224	1,197,600	1,716,900	1,692,900	1,789,400	1,931,300	2,046,300
Contractual Professional Services	618,239	-	-	-	-	-	-
5.2 Shared Services	**(228,402)**	**(161,100)**	**(169,200)**	**(177,700)**	**(186,600)**	**(196,000)**	**(205,800)**

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Line-Item Budget and Financial Plan *(continued from previous page)*

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
892223 Wastewater Primary Process	**15,016,758**	**16,066,300**	**14,149,100**	**15,867,800**	**15,465,800**	**16,503,800**	**15,895,800**
2.1 Salaries & Wages	**2,365,020**	**2,381,300**	**2,631,800**	**2,714,800**	**2,798,400**	**2,798,400**	**2,798,400**
2.2 Workforce Development	**34,140**	**27,600**	**57,400**	**70,300**	**83,300**	**83,300**	**83,300**
2.3 Overtime	**724,828**	**607,400**	**622,300**	**622,300**	**622,300**	**622,300**	**622,300**
2.4 Employee Benefits	**1,033,218**	**957,600**	**1,088,400**	**1,142,700**	**1,198,000**	**1,208,400**	**1,218,700**
2.5 Transition Services	**1,240,833**	**747,300**	**627,700**	**627,700**	**627,700**	**627,700**	**627,700**
4.1 Chemicals	**5,338,721**	**7,498,000**	**5,817,100**	**5,955,000**	**6,074,100**	**6,195,600**	**6,319,500**
4.2 Supplies & Other	**4,171,811**	**3,687,100**	**3,174,400**	**4,602,400**	**3,926,800**	**4,830,200**	**4,085,300**
Capital Outlay less than $5,000	8,805	70,800	45,800	46,700	47,600	48,500	49,400
Equipment Repairs & Maintenance	4,043,894	3,552,500	3,023,600	4,448,600	3,770,000	4,670,400	3,922,400
Operating Supplies	119,112	63,800	105,000	107,100	109,200	111,300	113,500
4.3 Contractual Services	**108,187**	**160,000**	**130,000**	**132,600**	**135,200**	**137,900**	**140,600**
Contractual Operating Services	108,187	160,000	130,000	132,600	135,200	137,900	140,600
892224 Wastewater Secondary Process	**15,177,673**	**17,541,000**	**16,837,900**	**17,358,100**	**17,817,600**	**18,075,500**	**18,323,500**
2.1 Salaries & Wages	**2,459,589**	**2,519,600**	**2,546,000**	**2,649,200**	**2,763,800**	**2,763,800**	**2,763,800**
2.2 Workforce Development	**75,887**	**104,300**	**26,200**	**52,000**	**91,000**	**91,000**	**91,000**
2.3 Overtime	**436,107**	**433,300**	**413,300**	**413,300**	**411,300**	**411,300**	**411,300**
2.4 Employee Benefits	**985,028**	**972,800**	**976,600**	**1,042,500**	**1,120,900**	**1,130,300**	**1,139,700**
2.5 Transition Services	**532,564**	**1,125,000**	**936,500**	**936,500**	**936,500**	**936,500**	**936,500**
4.1 Chemicals	**9,062,495**	**10,316,100**	**10,039,500**	**10,224,800**	**10,413,700**	**10,620,800**	**10,817,200**
4.2 Supplies & Other	**1,448,919**	**1,735,800**	**1,693,900**	**1,829,800**	**1,866,300**	**1,903,500**	**1,941,500**
Capital Outlay less than $5,000	835	8,300	12,000	12,200	12,400	12,600	12,900
Equipment Repairs & Maintenance	1,321,884	1,664,400	1,597,700	1,731,700	1,766,300	1,801,600	1,837,600
Operating Supplies	125,823	63,100	84,200	85,900	87,600	89,300	91,000
Tuition Refund	377	-	-	-	-	-	-
4.3 Contractual Services	**177,084**	**334,100**	**205,900**	**210,000**	**214,100**	**218,300**	**222,500**
Contractual Operating Services	177,084	334,100	205,900	210,000	214,100	218,300	222,500
892225 Wastewater Dewatering Process	**6,443,575**	**6,655,700**	**6,444,300**	**6,663,900**	**6,928,100**	**6,965,100**	**7,030,900**
2.1 Salaries & Wages	**1,607,111**	**1,764,700**	**1,715,600**	**1,820,100**	**1,955,000**	**1,955,000**	**1,955,000**
2.2 Workforce Development	**99,117**	**92,500**	**70,500**	**96,300**	**122,300**	**122,300**	**122,300**
2.3 Overtime	**305,251**	**259,600**	**278,000**	**278,000**	**278,000**	**278,000**	**278,000**
2.4 Employee Benefits	**749,451**	**749,200**	**739,900**	**801,200**	**876,000**	**883,900**	**891,700**
2.5 Transition Services	**781,131**	**1,058,200**	**815,800**	**815,800**	**815,800**	**815,800**	**815,800**
4.1 Chemicals	**1,558,161**	**1,355,000**	**1,420,700**	**1,420,700**	**1,420,700**	**1,420,700**	**1,449,100**
4.2 Supplies & Other	**1,082,477**	**1,328,000**	**1,354,300**	**1,381,300**	**1,408,800**	**1,436,900**	**1,465,500**
Capital Outlay less than $5,000	6,433	9,200	9,200	9,400	9,600	9,800	10,000
Equipment Repairs & Maintenance	1,028,982	1,275,000	1,300,500	1,326,500	1,353,000	1,380,100	1,407,700
Operating Supplies	47,062	41,800	42,600	43,400	44,200	45,000	26,400
Tuition Refund	-	2,000	2,000	2,000	2,000	2,000	21,400
4.3 Contractual Services	**260,876**	**48,500**	**49,500**	**50,500**	**51,500**	**52,500**	**53,500**
Contractual Operating Services	260,876	48,500	49,500	50,500	51,500	52,500	53,500

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Line-Item Budget and Financial Plan *(continued from previous page)*

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892226 Wastewater Incineration Process	**7,336,339**	**7,201,000**	**6,880,200**	**7,432,500**	**7,799,500**	**7,857,700**	**7,917,100**
2.1 Salaries & Wages	**2,053,839**	**2,162,800**	**2,380,900**	**2,566,500**	**2,757,700**	**2,757,700**	**2,757,700**
2.2 Workforce Development	**29,234**	**63,800**	**26,200**	**52,000**	**78,000**	**78,000**	**78,000**
2.3 Overtime	**442,520**	**327,000**	**379,500**	**379,500**	**377,600**	**377,600**	**377,600**
2.4 Employee Benefits	**915,802**	**906,600**	**985,100**	**1,080,300**	**1,185,100**	**1,195,700**	**1,206,200**
2.5 Transition Services	**1,434,148**	**1,508,100**	**1,011,800**	**1,011,800**	**1,011,800**	**1,011,800**	**1,011,800**
4.1 Chemicals	**998**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
4.2 Supplies & Other	**1,706,974**	**1,854,100**	**1,710,600**	**1,948,700**	**1,987,800**	**2,027,500**	**2,068,400**
Capital Outlay less than $5,000	6,275	2,500	2,500	2,600	2,700	2,800	2,900
Equipment Repairs & Maintenance	1,647,875	1,815,700	1,652,000	1,888,900	1,926,800	1,965,300	2,004,700
Operating Supplies	52,824	35,900	56,100	57,200	58,300	59,400	60,800
4.3 Contractual Services	**752,824**	**374,600**	**382,100**	**389,700**	**397,500**	**405,400**	**413,400**
Contractual Operating Services	752,824	374,600	382,100	389,700	397,500	405,400	413,400
892227 BDF, COF & Hauling	**22,989,894**	**24,532,600**	**25,202,900**	**25,766,900**	**26,298,000**	**26,976,000**	**27,497,200**
2.1 Salaries & Wages	**280,065**	**273,300**	**297,300**	**297,300**	**297,300**	**297,300**	**297,300**
2.2 Workforce Development	**-**	**-**	**13,100**	**26,000**	**39,000**	**39,000**	**39,000**
2.3 Overtime	**39,394**	**61,100**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**
2.4 Employee Benefits	**107,288**	**104,700**	**116,600**	**123,300**	**130,200**	**131,300**	**132,400**
2.5 Transition Services	**(198,431)**	**366,300**	**245,500**	**245,500**	**245,500**	**245,500**	**245,500**
3.1 Electric	**1,263,987**	**1,441,400**	**1,365,000**	**1,392,300**	**1,420,100**	**1,448,500**	**1,477,500**
3.2 Gas	**2,370,224**	**2,216,000**	**2,962,800**	**2,915,300**	**2,820,500**	**2,876,900**	**2,934,400**
3.3 Sewage Service	**383,956**	**530,000**	**410,000**	**418,200**	**426,600**	**435,100**	**443,800**
3.4 Water Service	**329,778**	**467,000**	**360,000**	**367,200**	**374,500**	**382,000**	**389,600**
4.3 Contractual Services	**18,413,633**	**19,072,800**	**19,393,600**	**19,942,800**	**20,505,300**	**21,081,400**	**21,498,700**
Contractual Operating Services	18,413,633	19,072,800	19,393,600	19,942,800	20,505,300	21,081,400	21,498,700
892231 Industrial Waste Control	**2,660,848**	**3,190,000**	**3,080,800**	**3,303,500**	**3,433,000**	**3,313,100**	**3,320,900**
2.1 Salaries & Wages	**1,764,852**	**1,919,400**	**1,908,700**	**1,946,400**	**2,022,400**	**2,022,400**	**2,022,400**
2.2 Workforce Development	**4,331**	**9,600**	**9,500**	**9,500**	**9,500**	**9,500**	**9,500**
2.3 Overtime	**39,137**	**33,400**	**40,100**	**40,100**	**40,100**	**40,100**	**40,100**
2.4 Employee Benefits	**673,251**	**689,200**	**720,000**	**740,000**	**774,200**	**780,900**	**787,500**
4.1 Chemicals	**68**	**300**	**300**	**300**	**300**	**300**	**300**
4.2 Supplies & Other	**91,585**	**100,100**	**97,900**	**89,900**	**96,200**	**99,300**	**100,500**
Advertising	23,023	47,700	47,700	47,700	47,700	47,700	47,700
Capital Outlay less than $5,000	12,483	12,100	-	3,000	9,100	5,400	6,600
Equipment Repairs & Maintenance	7,110	-	-	-	-	-	-
Janitorial	780	200	200	200	200	200	200
Memberships, Licenses & Subscriptions	-	400	400	400	400	400	400
Mileage and Parking	399	-	-	-	-	-	-
Office Supplies	10,281	9,600	9,600	9,600	9,600	9,600	9,600
Operating Supplies	19,953	11,700	20,200	9,200	9,400	16,200	16,200
Postage	11,632	4,600	6,000	6,000	6,000	6,000	6,000
Training and Internal Meetings	450	7,000	7,000	7,000	7,000	7,000	7,000
Travel	655	3,800	3,800	3,800	3,800	3,800	3,800
Uniforms, Laundry, Cleaning	4,819	3,000	3,000	3,000	3,000	3,000	3,000
4.3 Contractual Services	**87,624**	**438,000**	**304,300**	**477,300**	**490,300**	**360,600**	**360,600**
Contractual Operating Services	87,624	438,000	304,300	477,300	490,300	360,600	360,600

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892235 Wastewater Laboratories	**4,549,466**	**4,115,700**	**4,395,200**	**4,600,400**	**4,808,100**	**4,831,600**	**4,855,000**
2.1 Salaries & Wages	**2,169,785**	**2,317,100**	**2,451,900**	**2,586,800**	**2,722,800**	**2,722,800**	**2,722,800**
2.2 Workforce Development	**8,357**	**18,300**	**45,600**	**45,600**	**45,600**	**45,600**	**45,600**
2.3 Overtime	**283,018**	**263,800**	**274,900**	**274,900**	**274,900**	**274,900**	**274,900**
2.4 Employee Benefits	**786,712**	**817,800**	**893,500**	**949,200**	**1,006,000**	**1,014,100**	**1,022,200**
4.1 Chemicals	**168,113**	**221,200**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**486,706**	**295,800**	**538,900**	**549,800**	**560,900**	**572,300**	**583,500**
Capital Outlay less than $5,000	45,806	4,000	10,000	10,000	10,000	10,000	10,000
Equipment Repairs & Maintenance	40,285	17,100	24,100	25,300	26,500	27,800	28,400
Facilities Repairs & Maintenance	305	-	-	-	-	-	-
Janitorial	82	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	660	800	800	800	800	800	800
Office Supplies	10,565	16,000	16,000	16,000	16,000	16,000	16,300
Operating Supplies	216,386	255,900	-	-	-	-	-
Postage	74	-	-	-	-	-	-
Tuition Refund	1,161	-	-	-	-	-	-
Uniforms, Laundry, Cleaning	10,130	2,000	4,000	4,000	4,000	4,000	4,000
Laboratory Supplies	161,252	-	484,000	493,700	503,600	513,700	524,000
4.3 Contractual Services	**646,775**	**181,700**	**190,400**	**194,100**	**197,900**	**201,900**	**206,000**
Contractual Operating Services	646,775	181,700	190,400	194,100	197,900	201,900	206,000
892269 Suburban Only Green Infrastructure Allocation	**340,000**	**354,000**	**340,000**	**340,000**	**340,000**	**340,000**	**340,000**
4.2 Supplies & Other	**340,000**	**354,000**	**340,000**	**340,000**	**340,000**	**340,000**	**340,000**
Inspection and Permit Fees	340,000	354,000	340,000	340,000	340,000	340,000	340,000
892270 Combined Sewer Overflow	**6,088,493**	**4,676,100**	**4,717,000**	**4,788,200**	**4,847,900**	**4,878,700**	**4,910,900**
2.1 Salaries & Wages	**1,721,039**	**1,775,000**	**1,806,300**	**1,822,800**	**1,822,600**	**1,822,600**	**1,822,600**
2.2 Workforce Development	**151,120**	**156,000**	**110,700**	**123,600**	**149,600**	**149,600**	**149,600**
2.3 Overtime	**662,688**	**618,200**	**623,400**	**623,400**	**615,900**	**615,900**	**615,900**
2.4 Employee Benefits	**806,383**	**770,300**	**779,700**	**798,500**	**816,200**	**823,000**	**829,800**
2.5 Transition Services	**875,056**	**191,600**	**192,100**	**192,100**	**192,100**	**192,100**	**192,100**
4.2 Supplies & Other	**70,951**	**48,800**	**66,200**	**66,600**	**67,000**	**67,400**	**68,700**
Car Lease	14,070	-	-	-	-	-	-
Inspection and Permit Fees	250	700	700	700	700	700	700
Memberships, Licenses & Subscriptions	308	-	-	-	-	-	-
Mileage and Parking	389	1,300	1,300	1,300	1,300	1,300	1,300
Office Supplies	6,857	-	10,000	10,200	10,400	10,600	10,800
Operating Supplies	24,294	2,600	10,000	10,200	10,400	10,600	10,800
Training and Internal Meetings	12,448	30,200	30,200	30,200	30,200	30,200	30,800
Travel	751	3,600	3,600	3,600	3,600	3,600	3,700
Tuition Refund	2,000	1,500	1,500	1,500	1,500	1,500	1,500
Uniforms, Laundry, Cleaning	9,584	8,900	8,900	8,900	8,900	8,900	9,100
4.3 Contractual Services	**1,801,256**	**1,116,200**	**1,138,600**	**1,161,200**	**1,184,500**	**1,208,100**	**1,232,200**
Contractual Operating Services	838,551	1,116,200	1,138,600	1,161,200	1,184,500	1,208,100	1,232,200
Contractual Professional Services	632,795	-	-	-	-	-	-
Contractual Services – Federal Grants	329,910	-	-	-	-	-	-

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892271 Puritan Fenkell CSO	**217,873**	**290,300**	**297,500**	**303,800**	**310,300**	**318,300**	**324,400**
3.1 Electric	**56,310**	**59,300**	**61,700**	**64,800**	**68,000**	**71,400**	**72,800**
3.2 Gas	**22,358**	**21,500**	**28,000**	**27,600**	**26,700**	**27,200**	**27,700**
3.3 Sewage Service	**2,967**	**5,100**	**5,200**	**5,300**	**5,400**	**5,500**	**5,600**
3.4 Water Service	**6,531**	**9,000**	**9,200**	**9,400**	**9,600**	**9,800**	**10,000**
4.1 Chemicals	**54,678**	**22,000**	**21,800**	**21,800**	**21,800**	**22,200**	**22,200**
4.2 Supplies & Other	**64,357**	**164,800**	**161,800**	**165,100**	**168,500**	**171,900**	**175,300**
Equipment Repairs & Maintenance	19,959	84,100	74,200	75,700	77,300	78,800	80,400
Facilities Repairs & Maintenance	32,720	77,900	79,500	81,100	82,700	84,400	86,000
Office Supplies	1,769	100	100	100	100	100	100
Operating Supplies	9,909	2,700	8,000	8,200	8,400	8,600	8,800
4.3 Contractual Services	**10,672**	**8,600**	**9,800**	**9,800**	**10,300**	**10,300**	**10,800**
Contractual Operating Services	10,672	8,600	9,800	9,800	10,300	10,300	10,800
892272 7 Mile CSO	**567,365**	**150,300**	**217,900**	**220,800**	**224,800**	**228,800**	**234,500**
3.1 Electric	**39,169**	**35,200**	**42,000**	**42,800**	**43,700**	**44,600**	**45,500**
3.2 Gas	**21,965**	**16,100**	**27,500**	**27,100**	**26,200**	**26,700**	**27,200**
3.3 Sewage Service	**14,114**	**14,600**	**14,700**	**14,800**	**14,900**	**15,000**	**15,300**
3.4 Water Service	**5,209**	**5,700**	**5,800**	**5,900**	**6,000**	**6,100**	**6,200**
4.1 Chemicals	**-**	**-**	**3,300**	**3,300**	**3,300**	**3,400**	**3,400**
4.2 Supplies & Other	**467,038**	**69,800**	**113,500**	**115,800**	**119,100**	**121,400**	**124,800**
Equipment Repairs & Maintenance	339,144	25,800	46,300	47,200	49,100	50,000	51,900
Facilities Repairs & Maintenance	123,080	42,400	63,200	64,500	65,800	67,100	68,500
Operating Supplies	4,814	1,600	4,000	4,100	4,200	4,300	4,400
4.3 Contractual Services	**19,870**	**8,900**	**11,100**	**11,100**	**11,600**	**11,600**	**12,100**
Contractual Operating Services	19,870	8,900	11,100	11,100	11,600	11,600	12,100
892273 Hubble Southfield CSO	**813,555**	**1,053,400**	**934,000**	**946,400**	**959,400**	**977,400**	**992,300**
3.1 Electric	**57,127**	**84,200**	**73,500**	**75,000**	**76,500**	**78,000**	**79,600**
3.2 Gas	**26,172**	**35,300**	**32,800**	**32,200**	**31,200**	**31,800**	**32,400**
3.3 Sewage Service	**911**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**	**3,000**
3.4 Water Service	**40,740**	**118,000**	**102,000**	**104,000**	**106,100**	**108,200**	**110,400**
4.1 Chemicals	**463,526**	**233,300**	**196,700**	**196,700**	**196,700**	**200,600**	**200,600**
4.2 Supplies & Other	**197,249**	**511,800**	**475,800**	**485,300**	**495,100**	**505,000**	**514,900**
Capital Outlay less than $5,000	2,494	-	-	-	-	-	-
Equipment Repairs & Maintenance	130,541	392,000	359,800	367,000	374,400	381,900	389,400
Facilities Repairs & Maintenance	24,380	108,700	100,900	102,900	105,000	107,100	109,200
Office Supplies	108	100	100	100	100	100	100
Operating Supplies	39,726	11,000	15,000	15,300	15,600	15,900	16,200
4.3 Contractual Services	**27,830**	**67,800**	**50,200**	**50,200**	**50,800**	**50,800**	**51,400**
Contractual Operating Services	27,830	67,800	50,200	50,200	50,800	50,800	51,400

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892274 Leib CSO	**284,563**	**433,950**	**386,100**	**391,800**	**397,800**	**405,600**	**412,800**
3.1 Electric	**77,607**	**76,600**	**84,000**	**85,700**	**87,400**	**89,100**	**90,900**
3.2 Gas	**7,087**	**5,400**	**8,900**	**8,700**	**8,400**	**8,600**	**8,800**
3.3 Sewage Service	**4,610**	**5,000**	**5,100**	**5,200**	**5,300**	**5,400**	**5,500**
3.4 Water Service	**2,627**	**2,600**	**2,700**	**2,800**	**2,900**	**3,000**	**3,100**
4.1 Chemicals	**117,909**	**111,250**	**77,800**	**77,800**	**77,800**	**79,400**	**79,400**
4.2 Supplies & Other	**62,616**	**204,400**	**185,900**	**189,900**	**194,000**	**198,100**	**202,800**
Capital Outlay less than $5,000	490	-	-	-	-	-	-
Equipment Repairs & Maintenance	50,716	122,800	125,300	127,800	130,400	133,000	136,100
Facilities Repairs & Maintenance	8,081	76,400	55,400	56,900	58,400	59,900	61,500
Office Supplies	-	600	600	600	600	600	600
Operating Supplies	3,329	4,600	4,600	4,600	4,600	4,600	4,600
4.3 Contractual Services	**12,107**	**28,700**	**21,700**	**21,700**	**22,000**	**22,000**	**22,300**
Contractual Operating Services	12,107	28,700	21,700	21,700	22,000	22,000	22,300
892275 St Aubin CSO	**285,365**	**327,800**	**284,600**	**287,900**	**293,500**	**298,400**	**304,900**
3.1 Electric	**34,545**	**25,300**	**31,500**	**32,100**	**32,700**	**33,400**	**34,100**
3.2 Gas	**10,133**	**6,700**	**12,600**	**12,400**	**12,000**	**12,200**	**12,400**
3.3 Sewage Service	**1,360**	**2,500**	**2,500**	**2,500**	**2,500**	**2,500**	**2,600**
3.4 Water Service	**2,857**	**3,700**	**3,800**	**3,900**	**4,000**	**4,100**	**4,200**
4.1 Chemicals	**130,514**	**54,800**	**49,300**	**49,300**	**49,300**	**50,300**	**50,300**
4.2 Supplies & Other	**96,057**	**172,100**	**141,900**	**144,700**	**147,500**	**150,400**	**153,300**
Equipment Repairs & Maintenance	27,823	80,800	63,000	64,300	65,600	66,900	68,200
Facilities Repairs & Maintenance	64,830	87,300	74,900	76,400	77,900	79,500	81,100
Office Supplies	-	300	300	300	300	300	300
Operating Supplies	3,404	3,700	3,700	3,700	3,700	3,700	3,700
4.3 Contractual Services	**9,899**	**62,700**	**43,000**	**43,000**	**45,500**	**45,500**	**48,000**
Contractual Operating Services	9,899	62,700	43,000	43,000	45,500	45,500	48,000
892276 Conner Creek CSO	**4,158,870**	**3,621,050**	**3,169,400**	**3,198,000**	**3,233,500**	**3,292,700**	**3,333,300**
3.1 Electric	**272,496**	**301,400**	**299,300**	**305,300**	**311,400**	**317,600**	**324,000**
3.2 Gas	**61,277**	**49,400**	**76,600**	**75,400**	**72,900**	**74,400**	**75,900**
3.3 Sewage Service	**8,532**	**60,000**	**50,000**	**51,000**	**52,000**	**53,000**	**54,100**
3.4 Water Service	**11,159**	**52,000**	**20,000**	**20,400**	**20,800**	**21,200**	**21,600**
4.1 Chemicals	**2,728,345**	**1,827,050**	**1,341,900**	**1,341,900**	**1,341,900**	**1,368,700**	**1,368,700**
4.2 Supplies & Other	**777,440**	**1,142,800**	**1,119,900**	**1,142,300**	**1,165,300**	**1,188,600**	**1,212,300**
Capital Outlay less than $5,000	9,411	5,000	5,000	5,100	5,200	5,300	5,400
Equipment Repairs & Maintenance	682,404	850,000	867,000	884,300	902,000	920,000	938,300
Facilities Repairs & Maintenance	40,086	253,100	208,200	212,400	216,700	221,000	225,400
Office Supplies	2,765	7,500	7,500	7,700	7,900	8,100	8,300
Operating Supplies	42,774	27,200	32,200	32,800	33,500	34,200	34,900
4.3 Contractual Services	**299,621**	**188,400**	**261,700**	**261,700**	**269,200**	**269,200**	**276,700**
Contractual Operating Services	299,621	188,400	261,700	261,700	269,200	269,200	276,700

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Line-Item Budget and Financial Plan (*continued from previous page*)

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892277 Baby Creek CSO	**990,497**	**1,219,400**	**998,000**	**1,010,400**	**1,025,100**	**1,044,100**	**1,060,900**
3.1 Electric	**106,471**	**123,100**	**117,600**	**120,000**	**122,400**	**124,800**	**127,300**
3.2 Gas	**19,228**	**21,900**	**24,000**	**23,600**	**22,800**	**23,300**	**23,800**
4.1 Chemicals	**374,669**	**389,800**	**257,000**	**257,000**	**257,000**	**262,100**	**262,100**
4.2 Supplies & Other	**354,412**	**618,700**	**530,900**	**541,300**	**551,800**	**562,800**	**574,000**
Equipment Repairs & Maintenance	297,976	398,100	356,100	363,200	370,400	377,900	385,400
Facilities Repairs & Maintenance	52,430	211,500	165,700	169,000	172,300	175,800	179,500
Office Supplies	-	100	100	100	100	100	100
Operating Supplies	4,006	9,000	9,000	9,000	9,000	9,000	9,000
4.3 Contractual Services	**135,717**	**65,900**	**68,500**	**68,500**	**71,100**	**71,100**	**73,700**
Contractual Operating Services	135,717	65,900	68,500	68,500	71,100	71,100	73,700
892278 Oakwood CSO	**1,829,190**	**1,782,000**	**1,821,700**	**1,852,200**	**1,885,200**	**1,922,300**	**1,960,200**
3.1 Electric	**342,087**	**448,300**	**441,000**	**449,800**	**458,800**	**468,000**	**477,400**
3.2 Gas	**56,240**	**49,200**	**70,300**	**69,100**	**66,900**	**68,200**	**69,600**
3.3 Sewage Service	**465,640**	**447,000**	**469,200**	**478,600**	**488,200**	**498,000**	**508,000**
3.4 Water Service	**359,469**	**350,000**	**367,200**	**374,500**	**382,000**	**389,600**	**397,400**
4.1 Chemicals	**248,373**	**216,200**	**145,000**	**145,000**	**145,000**	**147,900**	**147,900**
4.2 Supplies & Other	**305,085**	**249,300**	**303,000**	**309,200**	**315,400**	**321,700**	**328,100**
Capital Outlay less than $5,000	5,580	-	-	-	-	-	-
Equipment Repairs & Maintenance	260,238	129,300	190,600	194,500	198,400	202,300	206,300
Facilities Repairs & Maintenance	34,407	111,700	103,900	106,000	108,100	110,300	112,500
Office Supplies	-	300	300	300	300	300	300
Operating Supplies	4,860	8,000	8,200	8,400	8,600	8,800	9,000
4.3 Contractual Services	**52,296**	**22,000**	**26,000**	**26,000**	**28,900**	**28,900**	**31,800**
Contractual Operating Services	52,296	22,000	26,000	26,000	28,900	28,900	31,800
892279 Belle Isle CSO	**(36,135)**	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Chemicals	**19,212**	**26,200**	**16,100**	**16,100**	**16,100**	**16,400**	**16,400**
4.2 Supplies & Other	**92,057**	**37,000**	**52,900**	**53,900**	**54,900**	**55,900**	**39,800**
Capital Outlay less than $5,000	800	-	-	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	9,540	-	-	-	-	-	-
Equipment Repairs & Maintenance	10,448	20,500	20,900	21,300	21,700	22,100	22,100
Facilities Repairs & Maintenance	66,992	16,000	30,000	30,600	31,200	31,800	17,200
Operating Supplies	4,277	500	2,000	2,000	2,000	2,000	500
4.3 Contractual Services	**9,386**	**12,300**	**12,300**	**12,300**	**13,300**	**13,300**	**14,300**
Contractual Operating Services	9,386	12,300	12,300	12,300	13,300	13,300	14,300
5.2 Shared Services	**(118,025)**	**(75,500)**	**(81,300)**	**(82,300)**	**(84,300)**	**(85,600)**	**(70,500)**
5.5 Intergovermental Agreement	**(38,765)**	**-**	**-**	**-**	**-**	**-**	**-**
897600 Wastewater System Operations Unallocated	**-**	**2,483,600**	**4,933,400**	**7,045,700**	**9,369,000**	**11,346,000**	**13,230,100**
7.0 Unallocated Reserve	**-**	**2,483,600**	**4,933,400**	**7,045,700**	**9,369,000**	**11,346,000**	**13,230,100**
Grand Total	**$ 144,662,677**	**$ 153,589,400**	**$ 155,358,300**	**$ 163,307,000**	**$ 170,019,700**	**$ 174,960,000**	**$ 177,295,100**

Wastewater Operations Pump Stations

The Wastewater Operations Pump (Lift) Stations are facilities designed to move wastewater from lower to higher elevation, particularly where the elevation of the source is not sufficient for gravity flow and/or when the use of gravity conveyance will result in excessive excavation depths and high sewer construction costs. There are nine facilities that are part of wastewater operations for the conveyance of sewage to the Water Resource Recovery Facility.

In FY 2026, a team was created in Wastewater Operations to take over management of the wastewater pump (lift) stations and linear (sewer and interceptor) assets, which had been completely managed by Field Services Operations. All responsibilities are expected to be fully transferred by the end of FY 2026.

Strategic Initiatives

- **Reliability of pumping equipment (Ongoing)**
  This is achieved through regular scheduled preventive maintenance is part of the overall maintenance program. GLWA has implemented an Enterprise Asset Management (EAM) system which will enhance planning, scheduling and prediction of work for increased wrench time and proactive maintenance.
- **Minimize energy usage (Ongoing)**
  Energy consumption is dependent on flow rate, total head, climate, and overall pump efficiency. Energy efficiency can be maximized through regular preventive and corrective maintenance.

The table below shows how the wastewater operations area pump (lift) stations strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Wastewater Pump Stations Strategic Initiatives	Reliability of pumping equipment				x	x	x	x				
	Minimize energy usage		x		x	x						

Wastewater Operations Pump Stations Contracts

The Wastewater Operations Pump Stations budget contains multiple contracts for services and maintenance to ensure system reliability, safeguard public health and the environment in compliance with our NPDES permit. The following table represents current contracts for the services listed. Expired contracts are not presented. Budgeted amounts beyond the contract date are estimates based on past experience in addition to future program plans. These contracts would generally require a separate procurement process. It should be noted that several contracts are shared by multiple areas of GLWA.

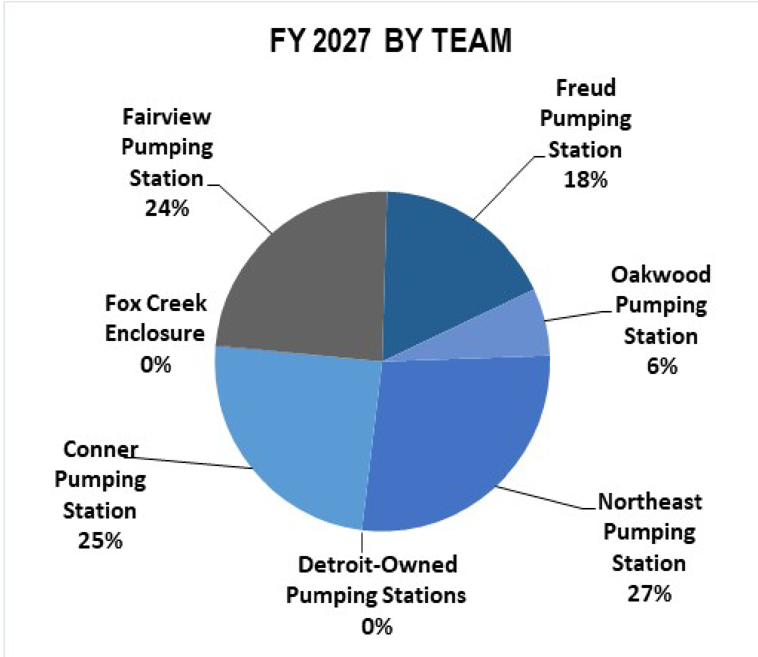
Wastewater Operations Pump Stations Significant Contracts

Project Description	Electical Equipment Repairs	HVAC Services	Total of Significant Contracts
Prime Consultant or Supplier	Motor City Electric Co	Johnson Controls	
Contract #	2100517		
Workday Contract #	SCN-0000354	SCN-0000734	
Contract Amount	$ 822,415	$ 1,369,016	
Contract End Date	07/25/26	11/30/28	
Cost Center Name	Sewage Pumping Stations	Sewage Pumping Stations	
Expense Category	Equipment Repairs & Maintenance	Equipment Repairs & Maintenance	
Pre-FY 2025 Spend	$ 406,300	$ 1,151,400	
Pre-FY 2025 Average Spend (*)	135,400	345,400	
FY 2025 Spend	162,000	237,200	$ 399,200
FY 2026 Amended	162,000	210,000	$ 372,000
FY 2027	**162,600**	**248,400**	**$ 411,000**
FY 2028	165,900	253,300	$ 419,200
FY 2029	169,200	258,600	$ 427,800
FY 2030	172,700	263,700	$ 436,400
FY 2031	176,200	269,000	$ 445,200
Total	**$ 1,576,900**	**$ 2,891,600**	**$ 2,910,800**

Organization

The Wastewater Operations Pump (Lift) Stations consist of nine lift stations in the wastewater collections system.

- Conner Pumping Station
- Detroit-owned Pumping Stations *
  - Belle Isle Pumping Station
  - Bluehill Pumping Station
  - Fischer Pumping Station
  - Woodmere Pumping Station
- Fairview Pumping Station
- Freud Pumping Station
- Northeast Pumping Station **
- Oakwood Pumping Station
- Fox Creek Enclosure ***



* Facilities owned by the Detroit Water and Sewer Department (DWSD) and operated by GLWA. DWSD reimburses GLWA for operation and maintenance costs through the Shared Services agreement. Equipment replacements at these facilities are expensed directly as equipment repairs and reimbursed by the DWSD as an intergovernmental agreement. These periodic replacements and reimbursements are not part of the annual budget due to their infrequent nature.

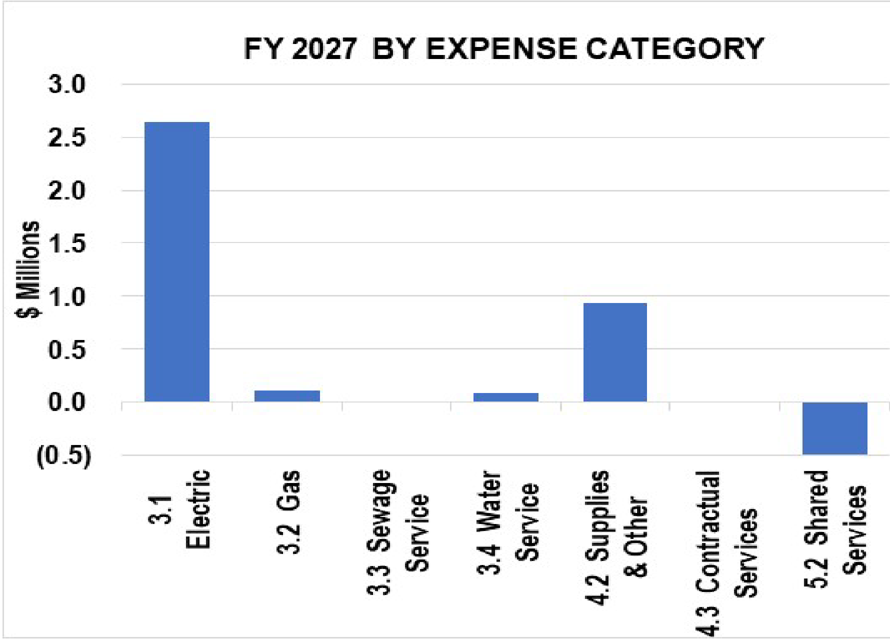
** A portion of the cost for Northeast Pumping Station is billed to OMID through an intergovernmental agreement.

*** Fox Creek Enclosure is a gate operations site and not a pump station. The only cost incurred for this location is electrical costs.

Expense Categories

Electric is the highest expense category in the Wastewater Pump Stations operations and maintenance budget.

Wastewater lift stations require a significant amount of power. The electric costs represent approximately 81% of the total wastewater pump stations operating costs for FY 2027.



Biennial Budget Request

The biennial budget reflects an overall increase in FY 2027 of $305,300, or 10.2%. Key factors that impact the FY 2027 budget include the following.

- Increase of $222,900 to the electric budget based on recent historical kilowatt hours (kWh) usage.
- Supplies & Other increased $62,700 due to increased repairs and HVAC work at multiple pump stations.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
3.1 Electric	$ 3,590,436	$ 2,426,100	$ 1,127,288	**$ 2,649,000**	**$ 222,900**	**9.2%**	$ 2,712,400
3.2 Gas	86,746	60,600	(4,790)	**108,400**	**47,800**	**78.9%**	106,700
3.3 Sewage Service	10,614	10,000	3,043	**10,100**	**100**	**1.0%**	10,200
3.4 Water Service	77,694	86,500	11,339	**80,400**	**(6,100)**	**-7.1%**	82,000
4.2 Supplies & Other	1,911,009	867,000	209,267	**929,700**	**62,700**	**7.2%**	948,200
4.3 Contractual Services	19,709	10,700	134,633	**10,700**	**-**	**0.0%**	10,700
5.2 Shared Services	(181,317)	(477,700)	(99,087)	**(499,800)**	**(22,100)**	**4.6%**	(509,500)
5.5 Intergovermental Agreement	(1,064,657)	-	-	**-**	**-**	**n/a**	-
Grand Total	**$ 4,450,234**	**$ 2,983,200**	**$ 1,381,693**	**$ 3,288,500**	**$ 305,300**	**10.2%**	**$ 3,360,700**

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Detroit-Owned Pumping Stations	**$ (368,751)**	**$ -**	**$ (53,595)**	**$ -**	**$ -**	**n/a**	**$ -**
Belle Isle Pumping Station	32,170	-	(9,969)	**-**	**-**	**n/a**	-
Blue Hill Pumping Station	(389,462)	-	(32,869)	**-**	**-**	**n/a**	-
Fischer Pumping Station	(80,475)	-	1,554	**-**	**-**	**n/a**	-
Woodmere Pumping Station	69,016	-	(12,312)	**-**	**-**	**n/a**	-
Conner Pumping Station	1,384,222	841,900	200,805	**805,700**	**(36,200)**	**-4.3%**	820,600
Fairview Pumping Station	765,096	762,500	177,471	**787,200**	**24,700**	**3.2%**	800,800
Fox Creek Enclosure	3,245	1,100	111	**3,000**	**1,900**	**172.7%**	3,100
Freud Pumping Station	490,173	550,600	215,420	**577,000**	**26,400**	**4.8%**	598,300
Oakwood Pumping Station	125,211	229,800	41,800	**211,600**	**(18,200)**	**-7.9%**	215,800
Northeast Pumping Station	2,051,038	597,300	799,681	**904,000**	**306,700**	**51.3%**	922,100
Grand Total	**$ 4,450,234**	**$ 2,983,200**	**$ 1,381,693**	**$ 3,288,500**	**$ 305,300**	**10.2%**	**$ 3,360,700**

Personnel Budget

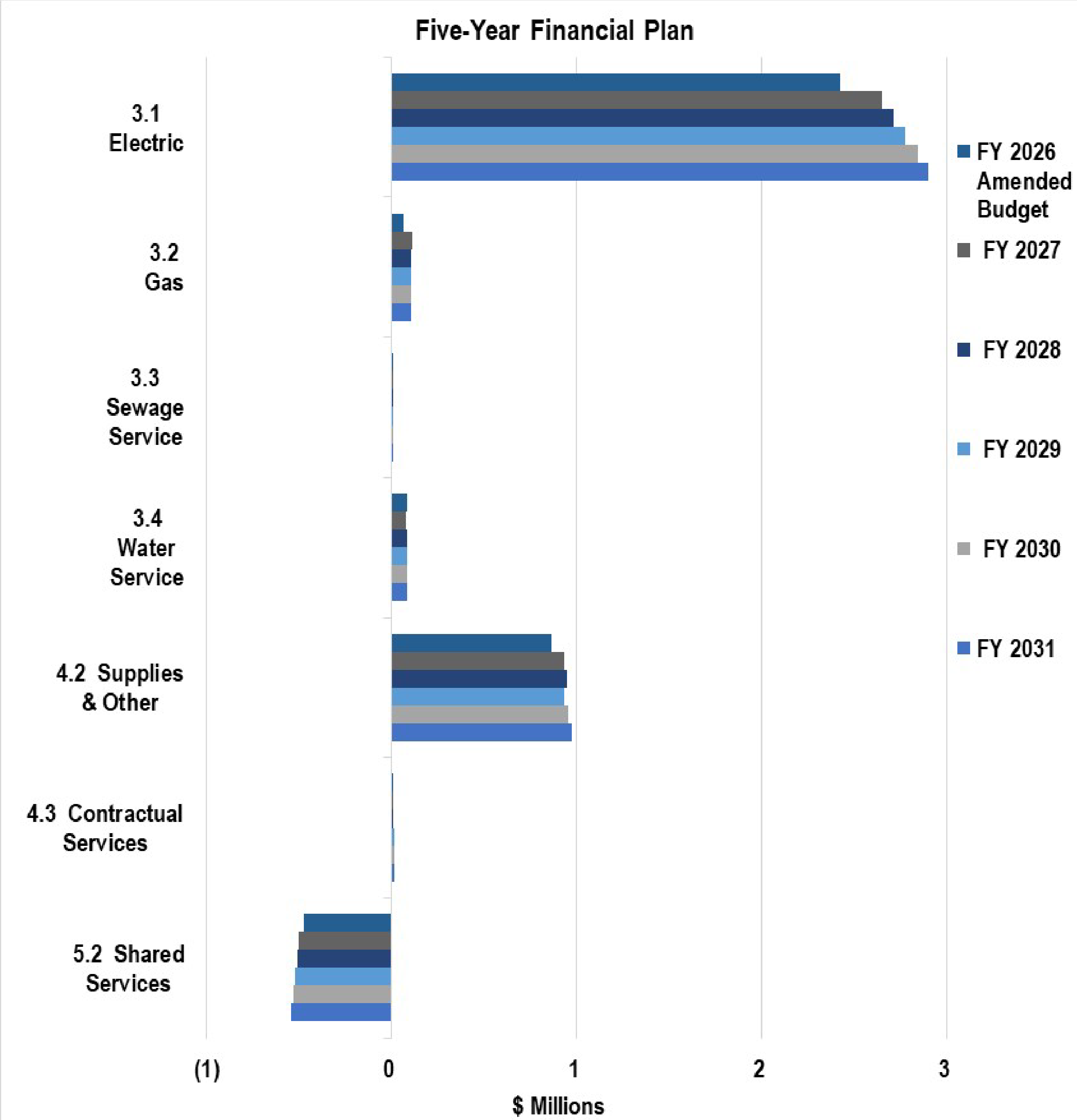
Personnel costs are not a component of the Wastewater Pump Stations budget. Labor costs to maintain these facilities are included in the Wastewater Operations.

As noted above, Wastewater Operations has taken over the management of the pump (lift) stations and linear (sewer and interceptor) assets. This includes utilizing positions currently part of the Water Resource Recovery Facility staffing plan for these assets.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
3.1 Electric	$ 3,590,436	$ 2,426,100	**$ 2,649,000**	$ 2,712,400	$ 2,777,600	$ 2,844,500	$ 2,901,500
3.2 Gas	86,746	60,600	**108,400**	106,700	103,200	105,200	107,300
3.3 Sewage Service	10,614	10,000	**10,100**	10,200	10,300	10,400	10,600
3.4 Water Service	77,694	86,500	**80,400**	82,000	83,700	85,400	87,100
4.2 Supplies & Other	1,911,009	867,000	**929,700**	948,200	933,500	952,100	971,100
4.3 Contractual Services	19,709	10,700	**10,700**	10,700	12,100	12,100	13,500
5.2 Shared Services	(181,317)	(477,700)	**(499,800)**	(509,500)	(520,400)	(530,500)	(541,800)
5.5 Intergovermental Agreement	(1,064,657)	-	**-**	-	-	-	-
Grand Total	**$ 4,450,234**	**$ 2,983,200**	**$ 3,288,500**	**$ 3,360,700**	**$ 3,400,000**	**$ 3,479,200**	**$ 3,549,300**


Five-Year Financial Plan
3.1 Electric
3.2 Gas
3.3 Sewage Service
3.4 Water Service
4.2 Supplies & Other
4.3 Contractual Services
5.2 Shared Services
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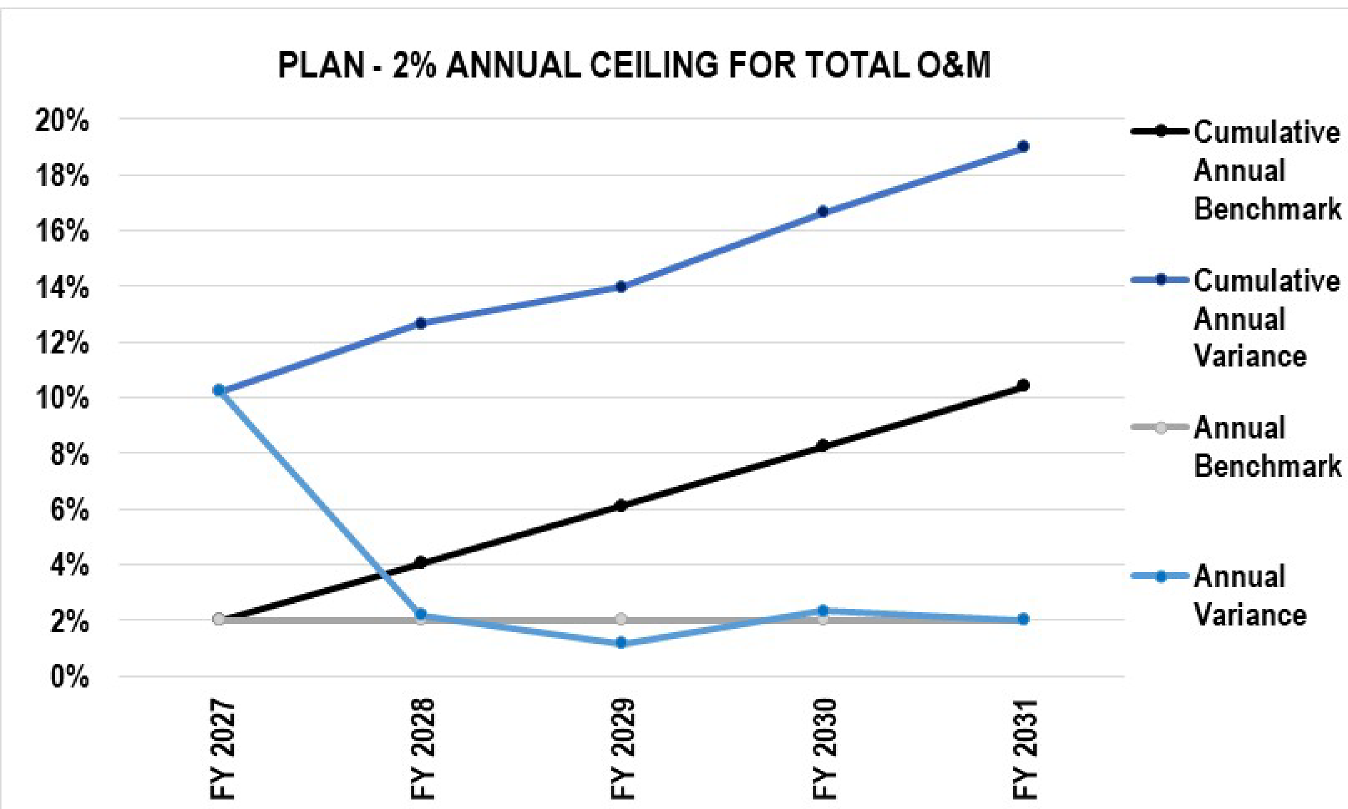
FY 2026 Amended Budget
FY 2027
FY 2028
FY 2029
FY 2030
FY 2031

Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Detroit-Owned Pumping Stations	**$ (368,751)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Belle Isle Pumping Station	32,170	-	**-**	-	-	-	-
Blue Hill Pumping Station	(389,462)	-	**-**	-	-	-	-
Fischer Pumping Station	(80,475)	-	**-**	-	-	-	-
Woodmere Pumping Station	69,016	-	**-**	-	-	-	-
Conner Pumping Station	1,384,222	841,900	**805,700**	820,600	835,300	851,900	869,200
Fairview Pumping Station	765,096	762,500	**787,200**	800,800	813,900	830,100	846,800
Freud Pumping Station	490,173	550,600	**577,000**	598,300	586,800	609,900	622,200
Oakwood Pumping Station	125,211	229,800	**211,600**	215,800	220,200	224,600	229,100
Fox Creek Enclosure	3,245	1,100	**3,000**	3,100	3,200	3,300	3,400
Northeast Pumping Station	2,051,038	597,300	**904,000**	922,100	940,600	959,400	978,600
Grand Total	**$ 4,450,234**	**$ 2,983,200**	**$ 3,288,500**	**$ 3,360,700**	**$ 3,400,000**	**$ 3,479,200**	**$ 3,549,300**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Wastewater Operations pump (lift) stations Group's financial plan reflects a five-year overall increase of 19.0%, which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The larger increase is due to cost increases for electricity.



Capital Outlay

The Wastewater Pump Stations capital outlay is funded by the Improvement & Extension (I&E) Budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ 100,000**	**$ 100,000**
Machinery & Equipment	**280,000**	**75,000**	**930,000**	**-**	**100,000**	**100,000**
Pumps & Motors < 25mgd	280,000	75,000	930,000	-	100,000	100,000
Grand Total	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ 100,000**	**$ 100,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	$ 422,591	$ 280,000	$ 75,000	$ 930,000	$ -	$ 100,000	$ 100,000
Grand Total	**$ 422,591**	**$ 280,000**	**$ 75,000**	**$ 930,000**	**$ -**	**$ 100,000**	**$ 100,000**

Five-Year Capital Outlay Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Conner Pumping Station	$ 382,697	$ 80,000	$ 75,000	$ -	$ -	$ -	$ -
Fairview Pumping Station	39,894	-	-	500,000	-	-	-
Freud Pumping Station	-	200,000	-	300,000	-	100,000	-
Oakwood Pumping Station	-	-	-	130,000	-	-	100,000
Grand Total	$ 422,591	$ 280,000	$ 75,000	$ 930,000	$ -	$ 100,000	$ 100,000

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
892342 Belle Isle Pumping Station	**$ 32,170**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
4.2 Supplies & Other	**46,333**	**75,000**	**76,500**	**78,000**	**79,600**	**81,200**	**82,800**
Equipment Repairs & Maintenance	45,133	75,000	76,500	78,000	79,600	81,200	82,800
Operating Supplies	1,200	-	-	-	-	-	-
4.3 Contractual Services	**952**	**2,000**	**1,200**	**1,200**	**1,400**	**1,400**	**1,600**
Contractual Buildings & Grounds Maint	952	2,000	**1,200**	1,200	1,400	1,400	1,600
5.2 Shared Services	**(15,115)**	**(77,000)**	**(77,700)**	**(79,200)**	**(81,000)**	**(82,600)**	**(84,400)**
892343 Blue Hill Pumping Station	**(389,462)**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**474,604**	**267,000**	**289,700**	**295,400**	**301,300**	**307,300**	**313,500**
Capital Outlay over $5k(O&M-NonCapitlzd)	157,431	-	-	-	-	-	-
Equipment Repairs & Maintenance	314,861	267,000	289,700	295,400	301,300	307,300	313,500
Inspection and Permit Fees	250	-	-	-	-	-	-
Operating Supplies	2,062	-	-	-	-	-	-
4.3 Contractual Services	**11,624**	**2,000**	**1,400**	**1,400**	**1,600**	**1,600**	**1,800**
Contractual Buildings & Grounds Maint	1,244	2,000	1,400	1,400	1,600	1,600	1,800
Contractual Operating Services	10,380	-	-	-	-	-	-
5.2 Shared Services	**(6,478)**	**(269,000)**	**(291,100)**	**(296,800)**	**(302,900)**	**(308,900)**	**(315,300)**
5.5 Intergovermental Agreement	**(869,212)**	**-**	**-**	**-**	**-**	**-**	**-**
892345 Conner Pumping Station	**1,384,222**	**841,900**	**805,700**	**820,600**	**835,300**	**851,900**	**869,200**
3.1 Electric	**560,118**	**668,800**	**620,000**	**632,400**	**645,000**	**657,900**	**671,100**
3.2 Gas	**26,783**	**15,200**	**33,500**	**33,000**	**31,900**	**32,500**	**33,200**
3.3 Sewage Service	**10,614**	**10,000**	**10,100**	**10,200**	**10,300**	**10,400**	**10,600**
3.4 Water Service	**4,700**	**17,900**	**8,000**	**8,200**	**8,400**	**8,600**	**8,800**
4.2 Supplies & Other	**780,614**	**130,000**	**132,600**	**135,300**	**138,000**	**140,800**	**143,600**
Capital Outlay less than $5,000	2,355	-	-	-	-	-	-
Equipment Repairs & Maintenance	774,974	130,000	132,600	135,300	138,000	140,800	143,600
Inspection and Permit Fees	250	-	-	-	-	-	-
Operating Supplies	3,035	-	-	-	-	-	-
4.3 Contractual Services	**1,393**	**-**	**1,500**	**1,500**	**1,700**	**1,700**	**1,900**
Contractual Buildings & Grounds Maint	1,393	-	1,500	1,500	1,700	1,700	1,900
892346 Fairview Pumping Station	**765,096**	**762,500**	**787,200**	**800,800**	**813,900**	**830,100**	**846,800**
3.1 Electric	**598,293**	**678,200**	**651,000**	**664,000**	**677,300**	**690,800**	**704,600**
3.2 Gas	**46,923**	**32,700**	**58,600**	**57,700**	**55,800**	**56,900**	**58,000**
3.4 Water Service	**367**	**1,600**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
4.2 Supplies & Other	**118,624**	**50,000**	**75,400**	**76,900**	**78,400**	**80,000**	**81,600**
Equipment Repairs & Maintenance	114,552	50,000	75,400	76,900	78,400	80,000	81,600
Operating Supplies	4,072	-	-	-	-	-	-
4.3 Contractual Services	**889**	**-**	**1,200**	**1,200**	**1,400**	**1,400**	**1,600**
Contractual Buildings & Grounds Maint	889	-	1,200	1,200	1,400	1,400	1,600

(*continued on next page*)

Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
892347 Fischer Pumping Station	**(80,475)**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**186,742**	**20,000**	**40,000**	**40,800**	**41,600**	**42,400**	**43,200**
Capital Outlay over $5k(O&M-NonCapitlzd)	144,395	-	-	-	-	-	-
Equipment Repairs & Maintenance	40,285	20,000	40,000	40,800	41,600	42,400	43,200
Operating Supplies	2,062	-	-	-	-	-	-
4.3 Contractual Services	**2,203**	**3,000**	**2,400**	**2,400**	**2,600**	**2,600**	**2,800**
Contractual Buildings & Grounds Maint	2,203	3,000	2,400	2,400	2,600	2,600	2,800
5.2 Shared Services	**(125,025)**	**(23,000)**	**(42,400)**	**(43,200)**	**(44,200)**	**(45,000)**	**(46,000)**
5.5 Intergovermental Agreement	**(144,395)**	**-**	**-**	**-**	**-**	**-**	**-**
892348 Fox Creek Enclosure	**3,245**	**1,100**	**3,000**	**3,100**	**3,200**	**3,300**	**3,400**
3.1 Electric	3,245	1,100	**3,000**	3,100	3,200	3,300	3,400
892349 Freud Pumping Station	**490,173**	**550,600**	**577,000**	**598,300**	**586,800**	**609,900**	**622,200**
3.1 Electric	**321,744**	**330,900**	**345,000**	**362,300**	**380,400**	**399,400**	**407,400**
3.2 Gas	**13,040**	**12,700**	**16,300**	**16,000**	**15,500**	**15,800**	**16,100**
3.4 Water Service	**72,627**	**67,000**	**71,400**	**72,800**	**74,300**	**75,800**	**77,300**
4.2 Supplies & Other	**81,473**	**140,000**	**142,800**	**145,700**	**114,900**	**117,200**	**119,500**
Equipment Repairs & Maintenance	78,678	140,000	142,800	145,700	114,900	117,200	119,500
Inspection and Permit Fees	250	-	-	-	-	-	-
Operating Supplies	2,545	-	-	-	-	-	-
4.3 Contractual Services	**1,289**	**-**	**1,500**	**1,500**	**1,700**	**1,700**	**1,900**
Contractual Buildings & Grounds Maint	1,289	-	1,500	1,500	1,700	1,700	1,900
892350 Northeast Pumping Station	**2,051,038**	**597,300**	**904,000**	**922,100**	**940,600**	**959,400**	**978,600**
3.1 Electric	**2,046,629**	**597,300**	**900,000**	**918,000**	**936,400**	**955,100**	**974,200**
4.2 Supplies & Other	**4,409**	**-**	**4,000**	**4,100**	**4,200**	**4,300**	**4,400**
Equipment Repairs & Maintenance	2,103	-	4,000	4,100	4,200	4,300	4,400
Operating Supplies	2,306	-	-	-	-	-	-
892351 Oakwood Pumping Station	**125,211**	**229,800**	**211,600**	**215,800**	**220,200**	**224,600**	**229,100**
3.1 Electric	**60,407**	**149,800**	**130,000**	**132,600**	**135,300**	**138,000**	**140,800**
4.2 Supplies & Other	**64,804**	**80,000**	**81,600**	**83,200**	**84,900**	**86,600**	**88,300**
Capital Outlay less than $5,000	540	-	-	-	-	-	-
Equipment Repairs & Maintenance	61,999	80,000	81,600	83,200	84,900	86,600	88,300
Operating Supplies	2,265	-	-	-	-	-	-
892352 Woodmere Pumping Station	**69,016**	**-**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**153,406**	**105,000**	**87,100**	**88,800**	**90,600**	**92,300**	**94,200**
Capital Outlay less than $5,000	859	-	-	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	80,276	-	-	-	-	-	-
Equipment Repairs & Maintenance	69,887	105,000	87,100	88,800	90,600	92,300	94,200
Operating Supplies	2,384	-	**-**	-	-	-	-
4.3 Contractual Services	**1,359**	**3,700**	**1,500**	**1,500**	**1,700**	**1,700**	**1,900**
Contractual Buildings & Grounds Maint	1,359	3,700	1,500	1,500	1,700	1,700	1,900
5.2 Shared Services	**(34,699)**	**(108,700)**	**(88,600)**	**(90,300)**	**(92,300)**	**(94,000)**	**(96,100)**
5.5 Intergovermental Agreement	**(51,050)**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**$ 4,450,234**	**$ 2,983,200**	**$ 3,288,500**	**$ 3,360,700**	**$ 3,400,000**	**$ 3,479,200**	**$ 3,549,300**

Section 5C

Centralized Services

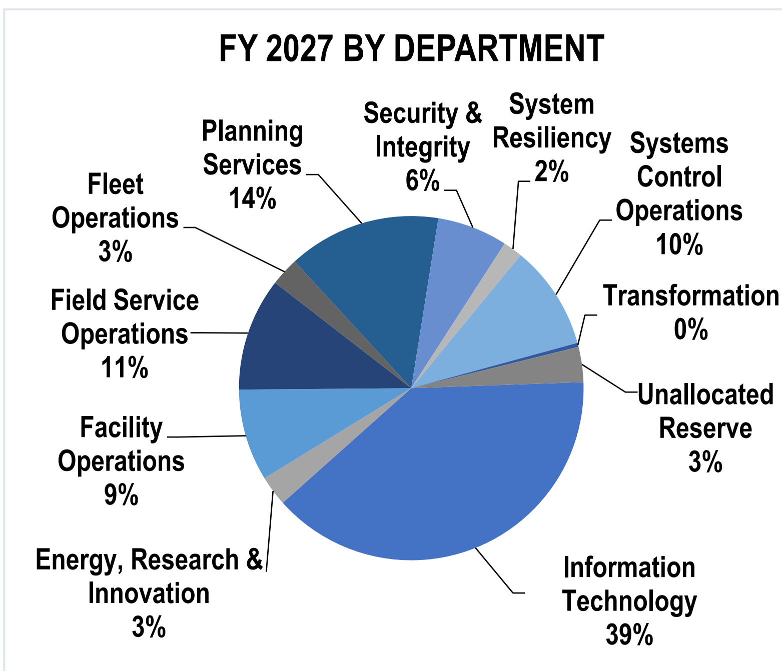
Centralized Services

The Centralized Services operating area serves both water and wastewater operations. The following departments are included in the Centralized Services operating area:

- System Resiliency
- Planning Services (Office of the Chief Planning Officer, Wastewater Analytics & Metering, Asset Management, Member Services, Capital Improvement Planning, and Water Analytics & Metering
- Systems Control
- Facility Operations
- Fleet Operations
- Field Service Operations
- Energy, Research & Innovation
- Transformation
- Information Technology (Office of the Chief Information Officer, Project Management Office, Security & Risk, Infrastructure, Enterprise Asset Management Systems, Business Productivity Systems, and Service Delivery)
- Security & Integrity (includes HazMat and Office of Emergency Preparedness)

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Centralized Services operating area with comparison to both the FY 2026 Adopted and Amended Budget.



Biennial Budget Request by Expense Category

	FY 2025	FY 2026			FY 2027					FY 2028
		Adopted	Amended	Activity as of	Proposed	Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed
Expense Category	Actual	Budget	Budget	09.30.2025	Budget	Adopted	Amended	Adopted	Amended	Budget
2.1 Salaries & Wages	$ 27,131,113	$ 28,256,800	$ 29,858,900	$ 7,792,938	**$ 30,800,400**	**$ 2,543,600**	**$ 941,500**	**9.0%**	**3.2%**	$ 31,650,700
2.2 Workforce Development	952,551	1,386,500	1,404,500	168,684	**665,300**	**(721,200)**	**(739,200)**	**-52.0%**	**-52.6%**	758,100
2.3 Overtime	2,834,661	2,700,200	2,700,200	752,253	**2,701,100**	**900**	**900**	**0.0%**	**0.0%**	2,701,100
2.4 Employee Benefits	9,698,961	9,994,100	10,269,400	2,808,443	**10,639,000**	**644,900**	**369,600**	**6.5%**	**3.6%**	11,037,600
2.5 Transition Services	551,423	1,033,600	1,033,600	264,594	**1,002,100**	**(31,500)**	**(31,500)**	**-3.0%**	**-3.0%**	1,002,100
Total Personnel Costs	41,168,709	43,371,200	45,266,600	11,786,912	**45,807,900**	**2,436,700**	**541,300**	**5.6%**	**1.2%**	47,149,600
3.1 Electric	225,829	171,600	171,600	32,895	**231,000**	**59,400**	**59,400**	**34.6%**	**34.6%**	235,000
3.2 Gas	209	200	200	55	**200**	**-**	**-**	**0.0%**	**0.0%**	200
3.3 Sewage Service	12,038	2,000	2,000	538	**9,500**	**7,500**	**7,500**	**375.0%**	**375.0%**	9,500
3.4 Water Service	4,931	600	600	358	**600**	**-**	**-**	**0.0%**	**0.0%**	600
Total Utility Costs	243,007	174,400	174,400	33,846	**241,300**	**66,900**	**66,900**	**38.4%**	**38.4%**	245,300
4.2 Supplies & Other	16,424,885	17,139,900	17,139,900	3,240,934	**18,511,500**	**1,371,600**	**1,371,600**	**8.0%**	**8.0%**	18,807,400
4.3 Contractual Services	67,577,317	55,935,900	59,265,900	13,928,716	**56,440,400**	**504,500**	**(2,825,500)**	**0.9%**	**-4.8%**	56,643,800
5.1 Capital Program Allocation	(207,687)	(212,200)	(212,200)	(106,519)	**(205,600)**	**6,600**	**6,600**	**-3.1%**	**-3.1%**	(206,000)
5.2 Shared Services	(1,876,180)	(1,410,400)	(1,375,100)	(366,687)	**(1,443,800)**	**(33,400)**	**(68,700)**	**2.4%**	**5.0%**	(1,516,000)
5.5 Intergovermental Agreement	(461,268)	-	-	-	**-**	**-**	**-**	**0.0%**	**0.0%**	-
7.0 Unallocated Reserve	-	2,388,800	-	-	**4,077,100**	**1,688,300**	**4,077,100**	**70.7%**	**N/A**	6,124,100
Total Other Categories	81,457,067	73,842,000	74,818,500	16,696,443	**77,379,600**	**3,537,600**	**2,561,100**	**4.8%**	**3.4%**	79,853,300
Total Centralized Services (Operating Area C)	**$ 122,868,783**	**$ 117,387,600**	**$ 120,259,500**	**$ 28,517,201**	**$ 123,428,800**	**$ 6,041,200**	**$ 3,169,300**	**5.1%**	**2.6%**	**$ 127,248,200**

Five-Year Financial Plan

Five Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Adopted Budget FY 2026	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 27,131,113	$ 28,256,800	$ 29,858,900	**$ 30,800,400**	$ 31,650,700	$ 32,547,800	$ 32,547,800	$ 32,547,800
2.2 Workforce Development	952,551	1,386,500	1,404,500	**665,300**	758,100	880,700	880,700	880,700
2.3 Overtime	2,834,661	2,700,200	2,700,200	**2,701,100**	2,701,100	2,680,200	2,680,200	2,680,200
2.4 Employee Benefits	9,698,961	9,994,100	10,269,400	**10,639,000**	11,037,600	11,456,100	11,543,700	11,631,400
2.5 Transition Services	551,423	1,033,600	1,033,600	**1,002,100**	1,002,100	1,002,100	1,002,100	1,002,100
Total Personnel Costs	41,168,709	43,371,200	45,266,600	**45,807,900**	47,149,600	48,566,900	48,654,500	48,742,200
3.1 Electric	225,829	171,600	171,600	**231,000**	235,000	240,000	246,000	252,000
3.2 Gas	209	200	200	**200**	200	300	300	300
3.3 Sewage Service	12,038	2,000	2,000	**9,500**	9,500	9,500	9,600	9,600
3.4 Water Service	4,931	600	600	**600**	600	600	700	700
Total Utility Costs	243,007	174,400	174,400	**241,300**	245,300	250,400	256,600	262,600
4.2 Supplies & Other	16,424,885	17,139,900	17,139,900	**18,511,500**	18,807,400	19,109,500	19,456,900	19,728,700
4.3 Contractual Services	67,577,317	55,935,900	59,265,900	**56,440,400**	56,643,800	56,875,400	57,298,500	58,240,400
5.1 Capital Program Allocation	(207,687)	(212,200)	(212,200)	**(205,600)**	(206,000)	(206,400)	(206,800)	(207,200)
5.2 Shared Services	(1,876,180)	(1,410,400)	(1,375,100)	**(1,443,800)**	(1,516,000)	(1,592,000)	(1,671,600)	(1,755,200)
5.5 Intergovermental Agreement	(461,268)	-	-	**-**	-	-	-	-
7.0 Unallocated Reserve	-	2,388,800	-	**4,077,100**	6,124,100	8,127,000	9,912,900	11,713,500
Total Other Categories	81,457,067	73,842,000	74,818,500	**77,379,600**	79,853,300	82,313,500	84,789,900	87,720,200
Total Centralized Services (Operating Area C)	**$ 122,868,783**	**$ 117,387,600**	**$ 120,259,500**	**$ 123,428,800**	**$ 127,248,200**	**$ 131,130,800**	**$ 133,701,000**	**$ 136,725,000**
Changes in Annual Operations & Maintenance Budget				*5.1%*	*3.1%*	*3.1%*	*2.0%*	*2.3%*

Cost Allocation

Centralized Services expenses are allocated to the water and wastewater operating areas based upon a two-step approach.

- ✓ Step One - Specific: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ Step Two - Pooled: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occur and when new vendor contracts are executed.

As part of a realignment of water and wastewater maintenance, activities and the corresponding budget in Field Services Operations and Systems Control for sewage conveyance infrastructure were transferred to the wastewater operations budget. This has resulted in a higher percentage of centralized services being attributed to water operations.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods. The variance columns are the change from the FY 2026 amended budget.

Biennial Cost Allocation Summary

	FY 2025	FY 2026			FY 2027			FY 2028
Operations Area	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Centralized Services								
Water	$ 63,779,190	$ 61,003,600	$ 62,787,600	$ 15,351,360	**$ 68,818,700**	**$ 6,031,100**	**9.6%**	$ 71,078,400
Wastewater	59,089,584	56,384,000	57,471,900	13,165,841	**54,610,100**	**(2,861,800)**	**-5.0%**	56,169,800
Grand Total	**$ 122,868,774**	**$ 117,387,600**	**$ 120,259,500**	**$ 28,517,201**	**$ 123,428,800**	**$ 3,169,300**	**2.6%**	**$ 127,248,200**

Five Year Cost Allocation Summary

	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Operations Area	FY 2025	FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized Services								
Water	$ 63,779,190	$ 61,003,600	$ 62,787,600	**$ 68,818,700**	$ 71,078,400	$ 73,071,900	$ 73,119,800	$ 74,621,300
Wastewater	59,089,584	56,384,000	57,471,900	**54,610,100**	56,169,800	58,058,900	60,581,200	62,103,700
Grand Total	**$ 122,868,774**	**$ 117,387,600**	**$ 120,259,500**	**$ 123,428,800**	**$ 127,248,200**	**$ 131,130,800**	**$ 133,701,000**	**$ 136,725,000**
Changes in Annual Operations & Maintenance Budget				*5.1%*	*3.1%*	*3.1%*	*2.0%*	*2.3%*

The following table presents the projected allocation percentages for the five-year period 2027 through 2031.

Five Year Projected Cost Allocated Percentages

	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Operations Area	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Centralized Services								
Water	51.9%	52.0%	52.2%	**55.8%**	55.9%	55.7%	54.7%	54.6%
Wastewater	48.1%	48.0%	47.8%	**44.2%**	44.1%	44.3%	45.3%	45.4%
Grand Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The following table lists the Centralized Services split between the Specific (Step One) and Pooled (Step Two) costs.

	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Allocation Cost Type	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Centralized - Specific	$ 11,568,700	$ 10,963,600	**$ 17,566,500**	$ 17,610,200	$ 17,624,700	$ 17,417,500	$ 17,726,200
Centralized - Pooled	105,818,900	109,295,900	**105,862,300**	109,638,000	113,506,100	116,283,500	118,998,800
Grand Total	**$ 117,387,600**	**$ 120,259,500**	**$ 123,428,800**	**$ 127,248,200**	**$ 131,130,800**	**$ 133,701,000**	**$ 136,725,000**

The following tables list the significant Centralized Services contracts and cost centers that receive either specific water and/or sewer accounting treatment. These tables are not a complete list of GLWA vendor contracts as they only include activity that is material in size, action or both.

Centralized Services Significant Water Specific Contracts – 100% allocation to Water

Cost Center	Contract	Vendor	Description of Service	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Allocation
Asset Management	1902659	HDR Michigan	Linear System Integrity Program	$ 1,100,000	$ 1,100,000	$ 1,100,000	$ 1,100,000	$ 1,100,000	Water
Energy, Research & Innovation	2102864	University of Michigan	Data-Driven Decision-Making Framework for Risk Management of the GLWA Water Transmission System	135,000	140,000	-	-		Water
	2203501	Michigan State University	Development of Risk-Based Framework for prioritization of Containments in Drinking	175,000	150,000	-	-		Water
	2301009	Michigan State University	Drinking Water Pathogen Analysis	85,000	-	-	-		Water
	2104064	Wayne State University	Pilot Plant Research and Collaboration at Water Works Park	160,000	140,000	-	-		Water
	2303476	Wayne State University	Water Industry Workforce Development and Pipe Management Program	160,000	160,000	-	-		Water
Systems Operations Control	2000489	Lakeshore Global	Specialized Services	1,836,000	1,872,700	1,910,200	1,948,400	1,987,300	Water
	2102983	PCI	Engineering Services for SCADA Instrumentation	1,300,000	1,326,000	1,352,500	1,379,600	1,407,200	Water
	2101167	Emerson Process Management	Ovation Upgrade	400,000	1,443,000	1,400,000	580,000	58,000	Water
Field Service Operations	1802745	Ric-Man Construction Inc	Water Transmission Main Repair	1,400,000	1,450,000	1,475,000	1,500,000	1,525,000	Water
	2003730	Lakeshore Global	Water Transmission Main Repair	1,400,000	1,450,000	1,475,000	1,500,000	1,525,000	Water
Member Services	12772	Aquasight	Water Performance Monitoring	600,000	610,000	625,000	625,000	625,000	Water
	1905080	TWN Consulting	Project Management Services	30,000	30,000	30,000	30,000	30,000	Water
Water Analytics, Planning & Metering	N/A	TBD	Units of Service (Phase) II D+ Region	-	-	-	-		Water
	N/A	TBD	Water Master Plan Update	1,000,000	1,000,000	100,000	-		Water
	N/A	TBD	Water Transient Study	-	-	-	-		Water
Various	N/A	Various	Other Contracts	1,570,700	708,700	2,042,200	1,494,800	2,036,700	Water
Total				**$ 11,351,700**	**$ 11,580,400**	**$ 11,509,900**	**$ 10,157,800**	**$ 10,294,200**	

Centralized Services Significant Sewer Specific Contracts – 100% allocation to Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Allocation
Asset Management	1902659	HDR Michigan	Linear System Integrity Program	$ 165,000	$ 165,000	$ 165,000	$ 165,000	$ 165,000	Sewer
Energy, Research & Innovation	2203703	University of Michigan	Optimization of WRRF Performance	75,000	75,000	-	-		Sewer
	2300721	University of Michigan	Simulation Tool	135,000	140,000	-	-		Sewer
	2202732	University of Wisconson	Spatial Analysis of Rainfall in GLWA Service Area	120,000	75,000	-	-		Sewer
Systems Operations Control	2003901	USGS	Detroit River Survey	509,000	534,500	499,600	510,000	500,000	Sewer
Systems Resillency	Pending	TBD	Regional Flood Mitigation Study	460,000	460,000	460,000	460,000	460,000	Sewer
Wastewater Analytics, Planning & Metering	CS-236	Applied Science	Meter Dye Testing	269,000	269,000	269,000	269,000	269,000	Sewer
	N/A	TBD	Good Sewer Metering	964,500	1,006,200	1,004,300	1,004,300	1,004,300	Sewer
	N/A	TBD	Various Professional Support	310,600	-	-	-		Sewer
	N/A	TBD	Wastewater Master Plan Update	-	-	-	1,194,800	1,334,000	Sewer
	CON-179	PCI	Staffing Augmentation	801,900	801,900	801,900	801,900	801,900	Sewer
	CON-179	PCI	Sewer Meter Support	1,183,500	1,183,500	1,183,500	1,183,500	1,183,500	Sewer
Various	N/A	Various	Other Contracts	1,221,300	1,319,700	1,731,500	1,671,200	1,714,300	Water
Total				**$ 6,214,800**	**$ 6,029,800**	**$ 6,114,800**	**$ 7,259,700**	**$ 7,432,000**	

The following table is part of the pooled (step two) allocation for cost centers that are not allocated 50/50.

Centralized Services Water/Sewer Pooled Cost Center Allocations

Cost Center	Cost Center Description	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Allocation
881202	HazMat	$ 2,023,800	$ 2,030,200	$ 2,051,600	$ 2,058,100	$ 2,064,600	Sewer 100%
882301	Systems Operations Control	$ 8,407,800	$ 8,747,300	$ 9,088,400	$ 9,156,600	$ 9,145,600	W/S - 60/40%
882431	Field Service Operations	$ 7,979,700	$ 8,183,100	$ 8,365,600	$ 8,380,800	$ 8,395,900	Water 100%
886100	Wastewater Analytics, Planning & Metering	$ 641,100	$ 642,000	$ 642,900	$ 643,800	$ 644,800	Sewer 100%
886401	Water Analytics, Planning & Metering	$ 4,850,700	$ 4,942,600	$ 5,051,800	$ 5,065,800	$ 5,080,000	W/S - 80/20%

System Resiliency

The focus of GLWA's Office of Resiliency is to assess, and improve, where necessary, GLWA's people, operations, assets, and our ability to withstand and recover from disruptions of all types. The Office of Resiliency will engage a nationally recognized expert/author on utility resilience and schedule seminars for the Resiliency Council, Group Leadership Team, and member partners to establish GLWA as a resilient utility thought leader.

Strategic Initiatives

For the FY 2027 to FY 2031 budget period, the following areas of focus were developed in consultations with GLWA's Executive Leadership Team and Resiliency Council.

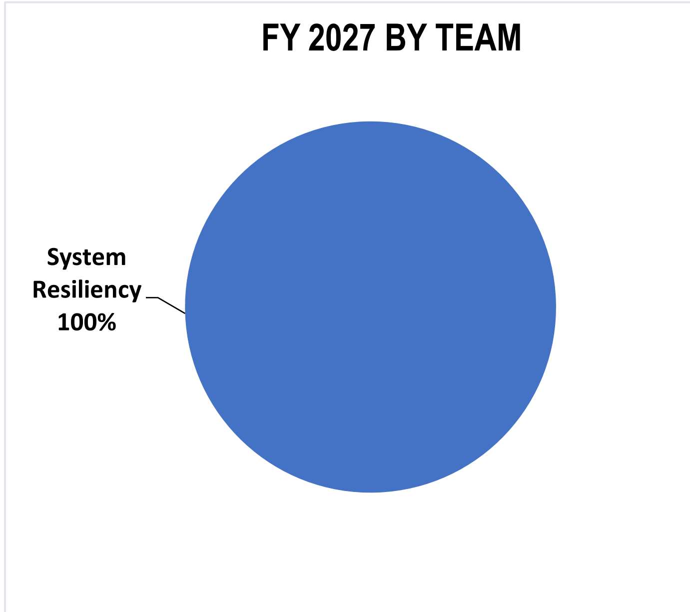
- **Successfully Transition People – (Ongoing)**
  Working to ensure the successful transition of Field Services into water and wastewater components by providing expert advice and support.
- **People Development – Skilled Trades – (Ongoing)**
  Develop and implement an OJT training program for team leaders.
- **Reassess Current and Aging Assets –(Ongoing)**
  Reviewing historical and current CIPs, along with available condition assessments, to determine urgent issues that must be addressed until CIP funding becomes available. Initially for the water booster pump stations.
- **GLWA Infrastructure Reporting – (Ongoing)**
  Develop an online "Equipment Status Report" that conveys and analyzes system capacity based on maintenance, repairs, replacements, and other factors that accurately summarize the water and wastewater systems readiness relative to capacity or level of service.
- **Southeast Michigan Flood Resiliency – (Ongoing)**
  Support and lead the development of the United States Army Corps of Engineers (USACE) flood mitigation project.
- **Linear System Integrity Program (LSIP) – (Ongoing)**
  In collaboration with the Planning team, co-lead the effort to work across business units to ensure LSIP is well coordinated with CIP, engineering, operations, and maintenance.
- **Power Resiliency – (Ongoing)**
  Develop a strategic approach for GLWA to ensure the viability of electrical service to critical facilities.

The following table shows how the System Resiliency strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
System Resiliency Strategic Initiatives	Successfully Transition People			x	x	x	x		x	x	x	x
	People Development - Skilled Trades			x	x	x	x	x	x	x	x	x
	Reassess Current & Aging Assets	x	x	x	x	x	x	x	x			x
	GLWA Infrastructure Reporting	x	x	x	x	x	x	x	x	x	x	x
	Southeast Michigan Flood Resiliency			x	x	x	x	x	x	x	x	x
	Linear System Integrity Program (LSIP)	x	x	x	x	x	x	x		x		x
	Power Resiliency			x	x	x	x	x	x	x		x

Organization

The System Resiliency area has one team.

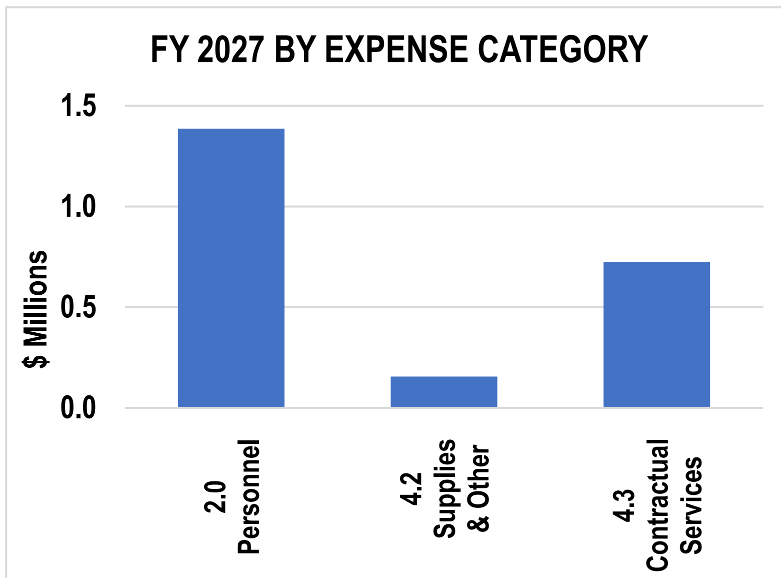


Expense Categories

The System Resiliency area has three expense categories:

- Personnel
- Supplies & Other
- Contractual Services

Based upon the nature of this service area, the largest category of expense is personnel. The second largest, Contractual Services, is budgeted to conduct studies and consult industry experts to align with the System Resiliency area's strategic initiatives.



Biennial Budget Request

The biennial budget reflects an overall increase of $165,000, or 7.9%. The primary reason for the increase is highlighted below.

- Personnel increased $156,900 due to merit increases and one position that was budgeted as a management professional but was filled and converted to a manager position.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 1,196,515	$ 1,229,900	$ 412,822	**$ 1,386,800**	**$ 156,900**	**12.8%**	$ 1,388,600
4.2 Supplies & Other	127,179	110,900	8,826	**154,600**	**43,700**	**39.4%**	155,800
Grand Total	**$ 1,475,890**	**$ 2,100,800**	**$ 539,772**	**$ 2,265,800**	**$ 165,000**	**7.9%**	**$ 2,273,300**

Personnel Budget

Staffing Plan – The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan						
Operating Area and Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**
System Resiliency	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Intern	**0.00**	**0.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
System Resiliency	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Grand Total	**8.00**	**8.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**

Full Time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the Staffing Plan and the FTEs are consistent.

Full Time Equivalents (includes interns)

	Full Time Equivalents (FTEs)						
Operating Area and Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
System Resiliency	7.25	6.75	7.75	7.75	7.75	7.75	7.75
Grand Total	**7.25**	**6.75**	**7.75**	**7.75**	**7.75**	**7.75**	**7.75**

Personnel Budget - The following tables present the System Resiliency area personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 961,291	$ 966,000	$ 334,098	$ 1,076,700	$ 110,700	11.5%	$ 1,076,700
2.2 Workforce	-	-	-	9,500	9,500	0.0%	9,500
2.3 Overtime	-	-	2,540	-	-	0.0%	-
2.4 Employee Benefits	235,224	263,900	76,184	300,600	36,700	13.9%	302,400
Grand Total	**$ 1,196,515**	**$ 1,229,900**	**$ 412,822**	**$ 1,386,800**	**$ 156,900**	**12.8%**	**$ 1,388,600**

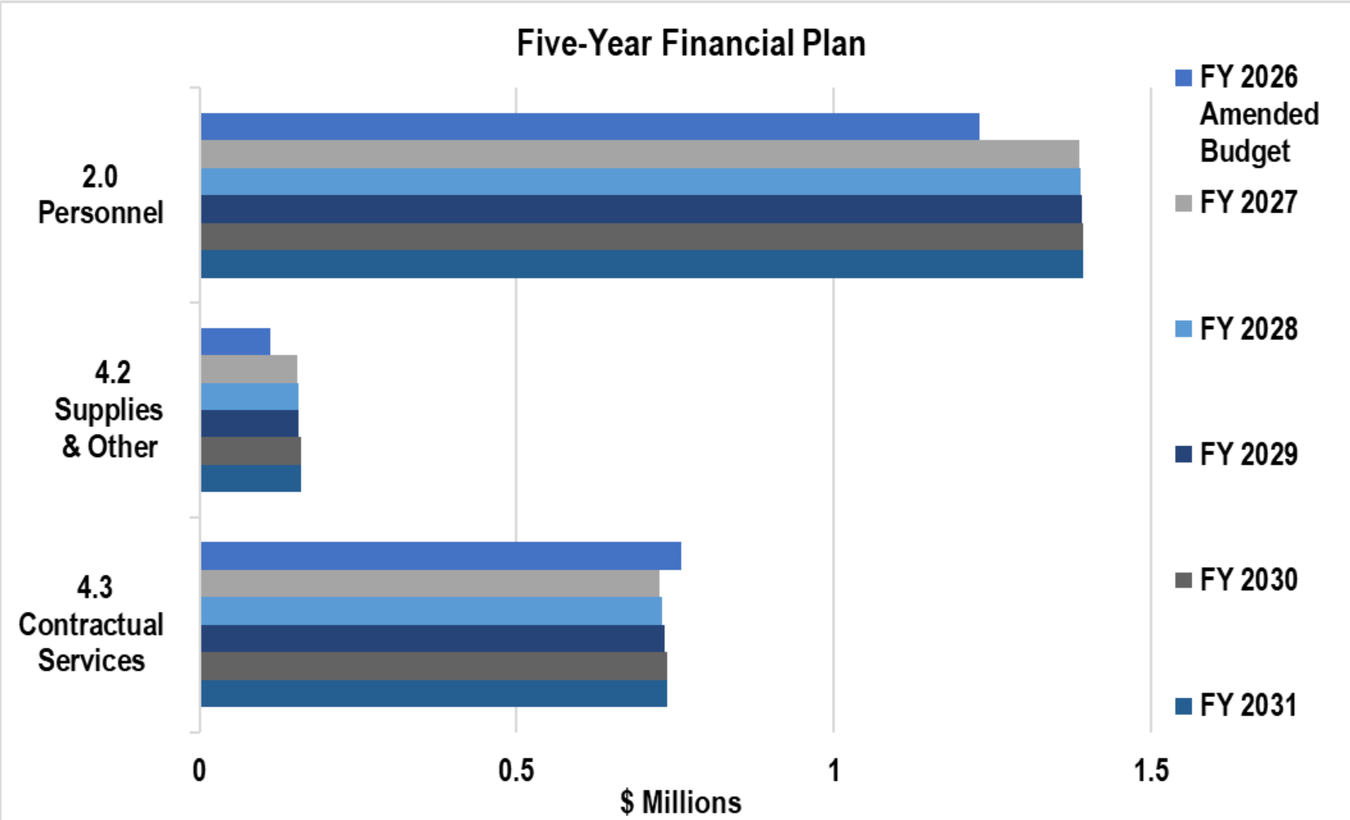
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
2.0 Personnel	$ 1,196,515	$ 1,229,900	$ 1,386,800	$ 1,388,600	$ 1,390,400	$ 1,392,300	$ 1,394,100
4.2 Supplies & Other	127,179	110,900	154,600	155,800	157,000	159,400	159,400
4.3 Contractual Services	152,196	760,000	724,400	728,900	733,500	738,100	738,100
Grand Total	**$ 1,475,890**	**$ 2,100,800**	**$ 2,265,800**	**$ 2,273,300**	**$ 2,280,900**	**$ 2,289,800**	**$ 2,291,600**

Five-Year Financial Plan

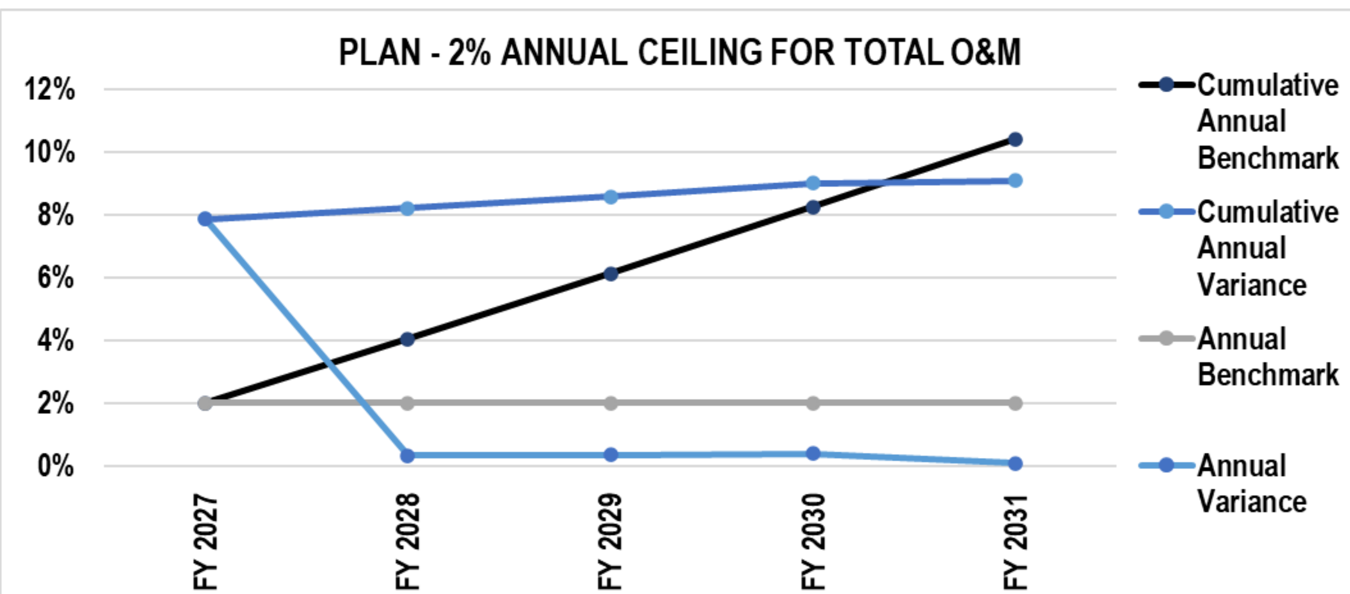
Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
2.0 Personnel	$ 1,196,515	$ 1,229,900	$ 1,386,800	$ 1,388,600	$ 1,390,400	$ 1,392,300	$ 1,394,100
4.2 Supplies & Other	127,179	110,900	154,600	155,800	157,000	159,400	159,400
4.3 Contractual Services	152,196	760,000	724,400	728,900	733,500	738,100	738,100
Grand Total	**$ 1,475,890**	**$ 2,100,800**	**$ 2,265,800**	**$ 2,273,300**	**$ 2,280,900**	**$ 2,289,800**	**$ 2,291,600**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The System Resiliency area financial plan reflects a five-year overall increase of 9.1% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



Capital Outlay

Capital Outlay is not a component of the System Resiliency area.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
881301 System Resiliency							
2.1 Salaries & Wages	**961,291**	**966,000**	**1,076,700**	**1,076,700**	**1,076,700**	**1,076,700**	**1,076,700**
2.2 Workforce Development	**-**	**-**	**9,500**	**9,500**	**9,500**	**9,500**	**9,500**
2.4 Employee Benefits	**235,224**	**263,900**	**300,600**	**302,400**	**304,200**	**306,100**	**307,900**
4.2 Supplies & Other	**127,179**	**110,900**	**154,600**	**155,800**	**157,000**	**159,400**	**159,400**
Employee Uniform Expense	-	-	1,000	1,000	1,000	1,000	1,000
Fuel	108	-	-	-	-	-	-
Inspection and Permit Fees-All Water	250	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	97,637	8,400	8,600	8,800	9,000	9,000	9,000
Mileage and Parking	271	-	500	500	500	500	500
Miscellaneous Expense	352	-	-	-	-	-	-
Office Supplies	356	1,000	2,000	2,000	2,000	2,000	2,000
Operating Supplies	1,543	-	-	-	-	-	-
Software Repairs & Maintenance	-	50,000	90,000	90,000	90,000	90,000	90,000
Training and Internal Meetings	4,521	20,800	21,200	21,600	22,000	22,400	22,400
Travel	21,414	30,700	31,300	31,900	32,500	34,500	34,500
Uniforms, Laundry, Cleaning	727	-	-	-	-	-	-
4.3 Contractual Services	**152,196**	**760,000**	**724,400**	**728,900**	**733,500**	**738,100**	**738,100**
Contractual Professional Services	101,223	220,000	224,400	228,900	233,500	238,100	238,100
Contractual Professional Services All	50,973	500,000	460,000	460,000	460,000	460,000	460,000
Contractual Professional Services All	-	40,000	40,000	40,000	40,000	40,000	40,000
Grand Total	**$ 1,475,890**	**$ 2,100,800**	**$ 2,265,800**	**$ 2,273,300**	**$ 2,280,900**	**$ 2,289,800**	**$ 2,291,600**

Planning Services

Teaming with our member partners, the Planning Services area provides strategic guidance for major GLWA programs. With a focus on the areas of asset management, capital improvement planning, innovative system analytics and metering technology for both Water and Wastewater operations, long range planning and member outreach, the Planning Services area provides strategic guidance to shape GLWA's future.

Strategic Initiatives

Water System Programs:

- **Linear System Integrity Program (LSIP) – (Ongoing)**
  Assess the risk to the water delivery infrastructure through the physical inspection of the transmission system to ensure reliability of service to member partners. Our strategic partner for this initiative is HDR of Michigan
- **Water Performance Monitoring – (Ongoing)**
  This initiative ensures quality and efficiency at local levels. Using GLWA provided Aquasight software, individual communities are able to monitor their water systems with customized dashboards providing real time system data.
- **Water Master Plan Update – (Beginning FY 2027)**
  An update to the regional plan ensuring GLWA continues to meet the needs of its members and strategic investment in assets. This project will be performed primarily by GLWA team members along with consulting service assistance.
- **Units of Service for Non-Master Meter Members and System Water Audit – (Ongoing)**
  An analytical review of data to quantify flow volumes for our member partners who do not have master meters and systemwide water audit services including review of water treatment plant flows and transmission system losses. This program has now transitioned into its second phase, providing analysis and analytical support for GLWA and our non-metered customers as, "GLWA System Water Audit and Analytical Support Services". The program is now staffed by GLWA personnel.

Wastewater System Programs:

- **Wastewater Master Plan & Update – (Beginning FY 2030)**
  A thorough and detailed analysis of the existing regional wastewater plan and its effectiveness in meeting the levels of service of our member partners.
- **Good Sewer Metering Practice Analysis & Support – (Ongoing)**
  This ongoing program in the Wastewater Analytics Task Force (WATF) consists of four core elements: metering, sewer shares analysis and review, collection system initiative and Water Resource Recovery Facility initiatives. We are currently reviewing vendors for assistance with this effort.
- **Linear System Integrity Program (LSIP) – (Ongoing)**
  While the LSIP effort focuses almost entirely on the Water side of GLWA operations, this program will also provide the framework to optimize wastewater interceptor inspection, maintenance, and renewal. Again, we team with vendor HDR Michigan for this program.

- **Meter Dye Testing – (Ongoing)**
  This program ensures the accuracy of the sewer meters through review, repair, and calibration. We team with local vendor, Applied Science, in this effort.
- **Professional and Technical Sewer Support Services – (Ongoing)**
  This program is for the calibration, corrective maintenance, and emergency repair of sewer meters in the collection system. This program also covers the installation of new meters, control cabinets and programmable controllers at various locations throughout the collection system. We team with vendor Precision Control Instruments (PCI) in this important effort.

Both Systems (GLWA Wide) Initiatives:

- **Capital Improvement Plan (CIP) – (Ongoing)**
  In May 2019, GLWA's Board of Directors approved an agreement with AECOM to provide capital improvement program management services. This program provides GLWA with tools and resources to manage a best-in-class CIP program. In FY 2023, the original four-year contract was extended by three-years to ensure support services continued while a new project management information system is being implemented. We anticipate this effort continuing with minimal vendor support through 2030 either with AECOM or another vendor while we finalize completion of our internal CIP processes. The original scope of the capital improvement program management services is segmented into the following 10 tasks outlined in the table below.

Capital Improvement Program Task	Purpose	Status
1. CIP Business Process Improvements 2. CIP Delivery Standard Operating Procedure Development	General GLWA CIP business & process improvements.	100% Complete 100% Complete
3. CIP Delivery Resource Evaluation	Identify and secure the human resources necessary to execute the CIP.	100% Complete
4. Development of Project Management Information System (PMIS)	Identify and select technology solutions necessary to support the new CIP business processes.	90% Complete
5(A). Project Controls and Reporting Support (O&M) 5(B). Project Controls and Reporting Support (Capital) 6. CIP Validation	Identify, valicate and implement project controls necessary for a well-managed CIP.	40% Complete 40% Complete 100% Complete
7(A). Engineering & Construction Staff Augmentation (O&M) 7(B). Engineering & Construction Staff Augmentation (Capital) 8. Other Staff Augmentation as Required	Staff augmentation to execute the CIP and supplemental resources to meet the needs of the organization while existing internal processes are being re-engineered.	70% Complete 70% Complete 100 % Complete
9. Advanced Facilities Planning (Capital)	Support the creation of reliable and sustainable projects	95% Complete
10. Enterprise-Wide Energy Optimization & Sustainability Planning	Task not pursued	0% Complete

The majority of the agreement is funded as capital as it targets specific, long-term projects. However, there is a significant operations and maintenance (O&M) component involving business improvement, process development and other O&M related support. As we continue into the final years of the agreement, we are indeed observing this expected expenditure shift as presented in the significant contract schedules below. GLWA CIP staffing is now almost totally complete (as will be seen in the numbers below) with the GLWA team running most of the program at this time.

- **Strategic Asset Management Plan Update (SAMP) - (Completion Date June 2029)**
  An ongoing effort through FY 2029, the SAMP identifies the timing of key corporate asset management initiatives, uses asset management related information to drive prudent Capital Improvement Plan (CIP) expenditures and operations and maintenance activities, and will ultimately provide a long-term, 10-year, roadmap to execute various asset management and CIP initiatives.
- **Member Outreach**
  Working with our vendors Bridgeport Consulting, Wade Trim and TWN, Member Partners are fully informed and involved via regular outreach activity. Members Partners participate directly in most of the strategic planning efforts.

The following tables present how Planning Services programs align with overall corporate strategic goals:

Water System Programs

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Strategic Initiatives	Linear System Integrity Program (LSIP)				x		x					
	Water Performance Monitoring			x		x		x		x		x
	Water Master Plan Update				x	x	x			x		
	Units of Service for Non-Metered Members				x	x				x		

Wastewater System Programs

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Strategic Initiatives	Wastewater Master Plan & Update				x	x	x		x	x		
	Good Sewer Metering Practice Analysis & Support				x	x	x		x	x		
	Meter Dye Testing				x	x				x		
	Professional and Technical Sewer Support Services				x					x		

Both Systems (GLWA Wide Initiatives)

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Strategic Initiatives	Capital Improvement Plan				x	x	x			x		
	Strategic Asset Management Plan Update				x	x	x					
	Member Outreach							x		x		

Planning Services Contracts

The Planning Services area budget contains several contractual services. Budgeted amounts beyond contract end date are estimates for future study updates or subsequent implementation of a program. Expenditures that extend beyond contract completion assume contract renewal. These services would generally require a separate procurement process. The following tables include the key contracts for these services.

Water System

Water system programs provide infrastructure analysis, long term capital planning, real time data for quality and efficiency of product delivery and flow analysis for non-metered systems assuring outstanding product quality, system reliability and billing accuracy for our member partners.

Water System Programs Significant Contracts

Project Description	Linear System Integrety Program (LSIP)	Water Performance Monitoring	Water Master Plan Update	Total of Significant Water Only Contracts
Prime Consultant or Supplier	HDR	Aquasight	TBD	
Contract #	1902659	2102026	TBD	
Workday Contract #	SCN-0000418	SCN-0000196	TBD	
Contract Amount	$ 23,110,800	$ 988,200	TBD	
Contract End Date	08/31/27	01/05/27	TBD	
Cost Center Name	Asset Management	Member Services	Water Analytics, Planning & Metering	
Expense Category	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2025 Spend	$ 5,257,900	$ 1,196,300	$ -	
Pre-FY 2025 Average Spend (*)	2,103,200	478,500	-	
FY 2025 Spend	1,145,100	551,500	-	$ 1,696,600
FY 2026 Amended	909,500	560,000		$ 1,469,500
FY 2027	**1,100,000**	**600,000**	**1,000,000**	**$ 2,700,000**
FY 2028	1,100,000	610,000	1,000,000	$ 2,710,000
FY 2029	1,100,000	625,000	1,000,000	$ 2,725,000
FY 2030	1,100,000	625,000		$ 1,725,000
FY 2031	1,100,000	625,000		$ 1,725,000
Total	**$ 12,812,500**	**$ 5,392,800**	**$ 3,000,000**	**$ 21,205,300**

Note: HDR Michigan (1902659) has a total contract award of $23.1 million with approximately $10.3 million projected as capital spend.

Wastewater System Programs

Wastewater System programs focus heavily on the preservation and improvement of system integrity and the efficiency of sewage flow. These programs benefit system operations today and many years into the future.

Wastewater System Programs Significant Contracts

Project Description	Wastewater Master Plan & Update	Good Sewer Metering Practice Analysis & Support	Meter Dye Testing	Professional and Technical Sewer Support Services	Linear System Integrity Program (LSIP)	Total of Significant Contracts
Prime Consultant or Supplier	CDM Smith or Other	Wade Trim or Other	Applied Science	PCI LLC	HDR	
Contract #	GLWA-CS-036	TBD	2003785	GLWA-CS-179	1902659	
Workday Contract #	NA	TBD	SCN-0000357	SCN-0000431	SCN-0000418	
Contract Amount	$ 9,022,700	TBD	$ 1,577,400	$ 9,606,500	$ 23,110,800	
Contract End Date	In Renewal	TBD	In Renewal	07/31/28	08/31/27	
Cost Center Name	Wastewater Analytics, Planning & Metering	Wastewater Analytics, Planning & Metering	Wastewater Analytics, Planning & Metering	Water Analytics, Planning & Metering	Asset Management	
Expense Category	Contract Services	Contract Services	Contract Services	Contract Services	Contract Services	
Pre-FY 2025 Spend	$ 9,022,700	$ 2,429,500	$ 2,336,600	$ 3,117,600	$ 41,500	
Pre-FY 2025 Average Spend (*)	1,804,540	485,900	274,900	779,400	16,600	
FY 2025 Spend	-		194,700	1,439,300	208,100	$ 3,538,700
FY 2026 Amended	-	-	500,000	918,000	100,000	1,518,000
FY 2027	**-**	**964,500**	**269,000**	**1,183,500**	**165,000**	**2,582,000**
FY 2028	-	1,006,200	269,000	1,183,500	165,000	2,623,700
FY 2029	-	1,004,300	269,000	1,183,500	165,000	2,621,800
FY 2030	1,194,800	1,004,300	269,000	1,183,500	165,000	3,816,600
FY 2031	1,334,000	1,004,300	269,000	1,183,500	165,000	3,955,800
Total	**$ 11,551,500**	**$ 7,413,100**	**$ 4,376,300**	**$ 11,392,400**	**$ 1,174,600**	**$ 20,656,600**

Combined Water / Wastewater Programs
System wide programs supporting both Water and Wastewater include initiatives that benefit the management of GLWA's strategic assets and will further support the development of a Capital Improvement Planning group that will oversee the organization's long-term strategic goals.

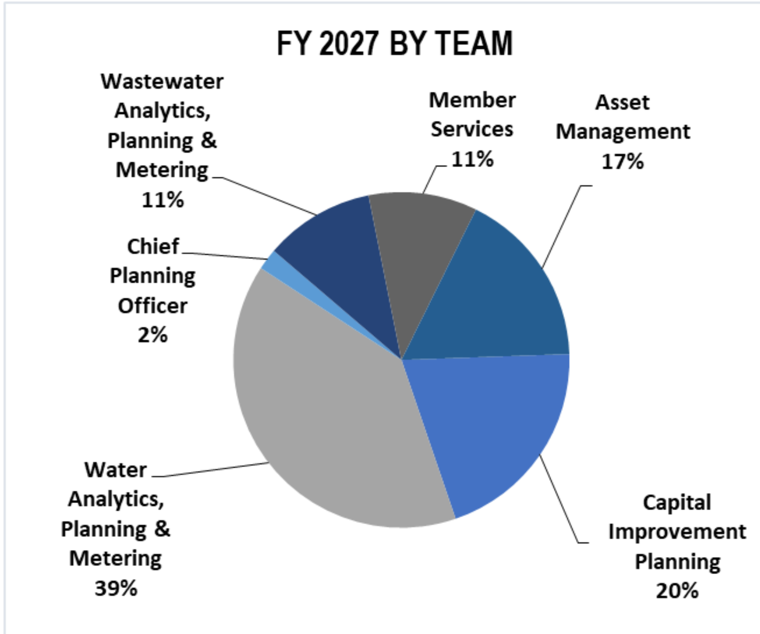
Combined System (GLWA Wide) Programs Significant Contracts

Project Description	Member Outreach	Asset Management Planning	Capital Improvement Planning	Total of Significant Combined System Contracts
Prime Consultant or Supplier	Bridgeport Consulting	TBD	AECOM	
Contract #	GLWA-CS-216	TBD	GLWA-CS-272	
Workday Contract #	SCN-0000422	TBD	SCN-0000359	
Contract Amount	$ 2,831,800	TBD	$ 12,305,900	
Contract End Date	12/31/27	TBD	In Renewal	
Cost Center Name	Member Services	Asset Management	Capital Improvement Planning	
Expense Category	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2024 Spend	$ 3,848,600	$ 4,414,900	$ 16,753,100	
Pre-FY 2024 Average Spend (*)	769,700	735,800	3,350,600	
FY 2025 Spend	683,000	-	2,186,500	$ 2,869,500
FY 2026 Amended	750,000	-	3,000,000	$ 3,750,000
FY 2027	**750,000**	**300,000**	**2,000,000**	**$ 3,050,000**
FY 2028	750,000	200,000	1,000,000	$ 1,950,000
FY 2029	750,000	100,000	500,000	$ 1,350,000
FY 2030	750,000	-	500,000	$ 1,250,000
FY 2031	750,000	-	500,000	$ 1,250,000
Total	**$ 9,031,600**	**$ 5,014,900**	**$ 26,439,600**	**$ 40,486,100**

Note: The AECOM (CS-272) total contract award was $58.6 million. Of this total, $12.3 million is allocated to the O&M budget and the remainder of $46.3 million is allocated to the capital improvement program over the life of the program.

Organization

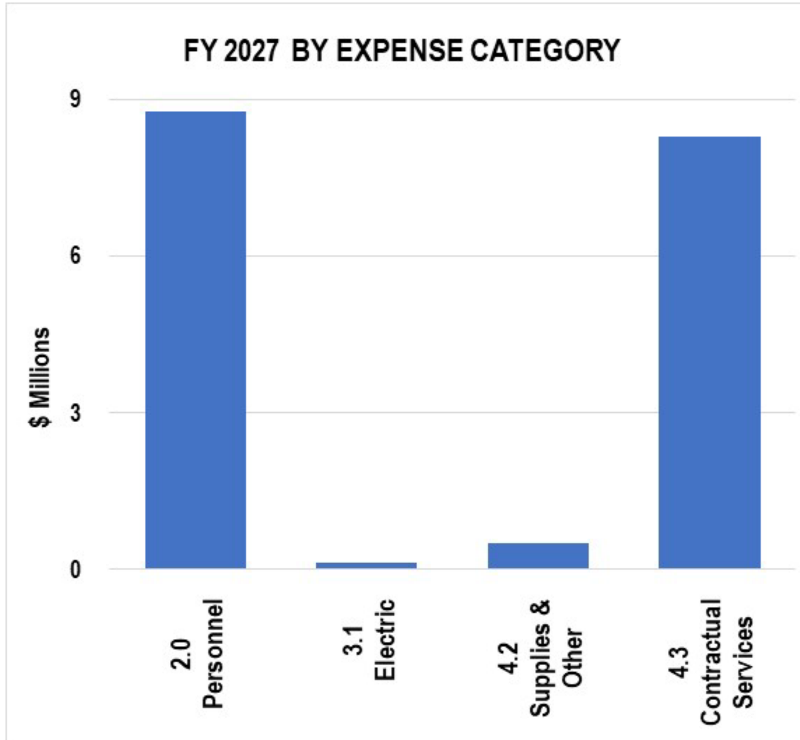
The GLWA System Planning Area consists of six teams. During FY 2025 teams were realigned, therefore data for FY 2025 and beyond is classified based on new team configuration.



- **Office of the Chief Planning Officer**
  Administration and oversight of GLWA's planning efforts with current and prospective member partners.
- **Wastewater Analytics, Planning & Metering**
  This team limits the reliance on external engineering and consulting firms related to creating and updating the wastewater master plan and flow modeling. This team is also responsible for metering sewage flows throughout GLWA's service area. The team will develop an in-house group that can perform modeling, evaluate potential service extension to new customers as well as various other updates.
- **Asset Management**
  Responsible for leading the enterprise-wide asset management strategy at GLWA. The Asset Management team is also responsible for overseeing the Linear System Inspection Program (LSIP) which assesses the overall condition of our water delivery system.
- **Member Services**
  Responsible for internal and external strategic planning, outreach and coordination with member partners. This team also provides member partners with Aquasight water flow analysis dashboard technology enabling them to monitor and evaluate water usage in real time.
- **Capital Improvement Planning (CIP)**
  Manages the planning and execution of the enterprise-wide capital improvement program including the development of a five-year Capital Improvement Plan which is updated annually. With staffing almost complete, the CIP Team is now running mostly stand alone with limited external vendor support.
- **Water Analytics, Planning & Metering**
  Responsible for maintaining meter operations and analyzing flow data for water, some wastewater flow, and for administrating the Wholesale Automatic Meter Reading (WAMR) system. This team will be leading GLWA's strategic water master plan.

Expense Categories

Contractual Services and Personnel costs are the two major expense categories in the Planning Services operations and maintenance budget.



The Planning Services area has been in existence for nine years. Given the breadth of assignments, recruiting and retaining top talent is a high priority. Accordingly, personnel costs represent the largest expense category. To help reduce the requirement for the contractual services support noted above, staff increases have been occurring to support a more in-house approach to planning and modeling activities. The Capital Improvement Planning team has led the way in this transition by identifying key positions and activities for supporting the Capital Improvement Plan (CIP) and has actively recruited staff to manage the transition of efforts currently performed by our key CIP vendor, AECOM. These staffing updates are now almost complete. This updated staffing approach will be evident in the financial and personnel charts that follow.

Contractual Services is the second largest expense category with strategic initiatives spanning almost all areas of the authority. Significant efforts include the Linear System Pipe Integrity Program (utilizing HDR Michigan) and the Capital Improvement Plan (utilizing AECOM). Other notable efforts include contractual services supporting meter operations, data analytics, asset management, flood mitigation, real time flow data and member partner outreach. To optimize member partner engagement, the Planning Services team employs the services of Bridgeport Consulting, TWN Consulting and Wade Trim Consulting who specialize in efficient group facilitation and project management assuring that GLWA member partners are fully engaged in making decisions that affect the region today and in the future. As we continue to fill staffing positions, the need for contractual services support continues to diminish being replaced by direct GLWA staff (discussed below).

Other expenditures for electric, supplies & other (training and other miscellaneous expense) round out the departmental budget request.

Biennial Budget Request

The FY 2027 biennial operations and maintenance budget reflects a $0.5M increase, or 2.8%, primarily driven by a focus on capital oriented work on the Linear System Inspection Program (LSIP) and significantly reduced spend with our Capital Improvement Plan vendor AECOM.

Personnel increased $0.3 million as we near completion of filling the staffing goals. The Asset Management and CIP departments are increasing the use of part-time interns. These staffing increases are offset by sharp reductions in contract services costs as GLWA staff takes on this effort previously performed by outside service providers.

The changes by team are in the second table below. The following provides details of the changes.

- Wastewater Analytics & Metering projects an increase of $0.3 million. Departmental efforts will continue to focus on sewer metering and maintenance activities. This department will drive the wastewater master plan though that effort has been pushed to FY 2030. Staffing is unchanged for this department.
- Member Services is projecting a FY 2027 spending decrease of just over $0.03 million. Spending this year is anticipated to be essentially flat as customer outreach efforts are expected to be similar to FY 2026. This team additionally manages the Aquasight dashboard service provided at no charge to our member partners. Most members have now signed up for the service. Staffing is unchanged for this department.
- The Asset Management Team projects a spend increase of $0.4 million as we kick off the Asset Master Plan in FY 2027. The Asset Management Team plans 11 FTE's in FY 2027, a reduction of 1.75 from FY 2026.
- The Water Analytics & Metering team increase of $0.8 million is driven by the 2027 initiation of GLWA's Master Water Plan. The organization expects to spend approximately $1 million per year for FY's 2027-2029. This increase is partially offset as wastewater work is transitioned to our new Wastewater Analytics & Metering team noted below. Additionally, the Water Analytics & Metering Team plans to add 1.5 FTE's for 2027 resulting in $.170M of increased personnel cost.
- The Capital Improvement Plan team is projecting a spending decrease of ($1.0) million as GLWA personnel continue to take more of the CIP development work from AECOM. The department plans for 11.25 FTE's in FY 2027. This is a reduction of 1 FTE from the prior period.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 6,978,247	$ 8,500,900	$ 2,252,119	**$ 8,780,500**	**$ 279,600**	**3.3%**	$ 8,976,500
3.1 Electric	130,810	98,200	16,231	**135,000**	**36,800**	**37.5%**	135,000
4.2 Supplies & Other	462,753	492,600	125,798	**507,700**	**15,100**	**3.1%**	514,200
4.3 Contractual Services	6,872,142	8,138,800	1,710,389	**8,282,300**	**143,500**	**2%**	7,534,000
5.1 Capital Program Allocation	(15,980)	-	(28,266)	**-**	**-**	**100.0%**	-
Grand Total	**$ 14,427,972**	**$ 17,230,500**	**$ 4,076,270**	**$ 17,705,500**	**$ 475,000**	**2.8%**	**$ 17,159,700**

Biennial Budget Request by Team

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Chief Planning Officer	$ 341,355	$ 363,700	$ 108,784	**$ 363,300**	**$ (400)**	**-0.1%**	$ 363,900
Wastewater Analytics, Planning & Metering	1,180,969	1,584,400	331,945	**1,874,600**	**290,200**	**18.3%**	1,917,200
Member Services	1,682,493	1,856,300	315,093	**1,852,800**	**(3,500)**	**-0.2%**	1,863,500
Asset Management	2,614,167	2,596,000	689,054	**3,031,600**	**435,600**	**17%**	3,234,400
Water Analytics, Planning & Metering	5,171,456	6,193,900	1,475,056	**6,984,200**	**790,300**	**100.0%**	7,076,100
Capital Improvement Planning	3,437,532	4,636,200	1,156,338	**3,599,000**	**(1,037,200)**	**-22.4%**	2,704,600
Grand Total	**$ 14,427,972**	**$ 17,230,500**	**$ 4,076,270**	**$ 17,705,500**	**$ 475,000**	**2.8%**	**$ 17,159,700**

Personnel Budget

The staffing plan provides for 78 positions for FY 2027. In 2027 we plan to add a net of one position to the staffing plan (one reduction in Asset Management offset by an increase of two in Capital Asset Planning). This addition is in accordance with our strategic staffing plan.

Staffing Plan – Number of Positions - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a forecast of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan						
Team Member Type	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular	**66.00**	**64.00**	**65.00**	**65.00**	**65.00**	**65.00**	**65.00**
Chief Planning Officer	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00
Wastewater Analytics, Planning & Metering	4.00	3.00	**3.00**	3.00	3.00	3.00	3.00
Member Services	4.00	3.00	**3.00**	3.00	3.00	3.00	3.00
Asset Management	11.00	11.00	**10.00**	10.00	10.00	10.00	10.00
Water Analytics, Planning & Metering	32.00	34.00	**34.00**	34.00	34.00	34.00	34.00
Capital Improvement Planning	13.00	11.00	**13.00**	13.00	13.00	13.00	13.00
Transitional Contractor	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**	**4.00**
Water Analytics, Planning & Metering	4.00	4.00	**4.00**	4.00	4.00	4.00	4.00
Apprentice	**2.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
Wastewater Analytics, Planning & Metering	-	1.00	**1.00**	1.00	1.00	1.00	1.00
Water Analytics, Planning & Metering	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00
Intern	**-**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**
Asset Management	-	4.00	**4.00**	4.00	4.00	4.00	4.00
Capital Improvement Planning		2.00	**2.00**	2.00	2.00	2.00	2.00
Grand Total	**72.00**	**77.00**	**78.00**	**78.00**	**78.00**	**78.00**	**78.00**

Full Time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled or budgeted, based upon a standard of 2,080 hours. For this budget period, the Staffing Plan and correlating FTEs will remain roughly stable (in 2027) with modest increases in the ensuing years.

Full Time Equivalents (includes interns)

	Full Time Equalivants (FTE's)						
Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Planning Services	**60.75**	**70.25**	**69.00**	**70.50**	**72.25**	**72.25**	**72.25**
Chief Planning Officer	2.00	2.00	**2.00**	2.00	2.00	2.00	2.00
Wastewater Analytics, Planning & Metering	2.50	4.00	**4.00**	4.00	4.00	4.00	4.00
Member Services	4.00	3.00	**3.00**	3.00	3.00	3.00	3.00
Asset Management	6.50	12.75	**11.00**	11.00	11.00	11.00	11.00
Water Analytics, Planning & Metering	36.50	36.25	**37.75**	38.50	39.50	39.50	39.50
Capital Improvement Planning	9.25	12.25	**11.25**	12.00	12.75	12.75	12.75
Grand Total	**60.75**	**70.25**	**69.00**	**70.50**	**72.25**	**72.25**	**72.25**

Personnel Budget – The tables below present the Planning Services personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 4,640,661	$ 5,392,400	$ 1,405,998	**$ 5,682,600**	**$ 290,200**	**5.4%**	$ 5,818,900
2.2 Workforce Development	186,954	367,000	71,140	**205,900**	**(161,100)**	**-43.9%**	205,900
2.3 Overtime	147,757	178,500	35,058	**181,000**	**2,500**	**1.4%**	181,000
2.4 Employee Benefits	1,541,892	1,761,100	475,330	**1,909,100**	**148,000**	**8%**	1,968,800
2.5 Transition Services	460,983	801,900	264,594	**801,900**	**-**	**0.0%**	801,900
Grand Total	**$ 6,978,247**	**$ 8,500,900**	**$ 2,252,119**	**$ 8,780,500**	**$ 279,600**	**3.3%**	**$ 8,976,500**

Personnel – Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Planning Officer	$ 337,301	$ 352,900	$ 104,843	**$ 352,300**	**$ (600)**	**-0.2%**	$ 352,800
Wastewater Analytics, Planning & Metering	441,263	608,800	173,190	**627,700**	**18,900**	**3.1%**	628,600
Member Services	391,076	455,300	70,246	**433,800**	**(21,500)**	**-4.7%**	434,500
Asset Management	1,117,471	1,341,000	364,272	**1,403,200**	**62,200**	**5%**	1,405,500
Water Analytics, Planning & Metering	3,462,550	4,219,200	1,116,790	**4,389,400**	**170,200**	**4.0%**	4,475,400
Capital Improvement Planning	1,228,586	1,523,700	422,777	**1,574,100**	**50,400**	**3.3%**	1,679,700
Grand Total	**$ 6,978,247**	**$ 8,500,900**	**$ 2,252,119**	**$ 8,780,500**	**$ 279,600**	**3.3%**	**$ 8,976,500**

Personnel - Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 4,640,661	$ 5,392,400	$ 5,682,600	$ 5,818,900	$ 5,966,700	$ 5,966,700	$ 5,966,700
2.2 Workforce Development	186,954	367,000	205,900	205,900	205,900	205,900	205,900
2.3 Overtime	147,757	178,500	181,000	181,000	181,000	181,000	181,000
2.4 Employee Benefits	1,541,892	1,761,100	1,909,100	1,968,800	2,034,700	2,049,800	2,065,100
2.5 Transition Services	460,983	801,900	801,900	801,900	801,900	801,900	801,900
Grand Total	**$ 6,978,247**	**$ 8,500,900**	**$ 8,780,500**	**$ 8,976,500**	**$ 9,190,200**	**$ 9,205,300**	**$ 9,220,600**

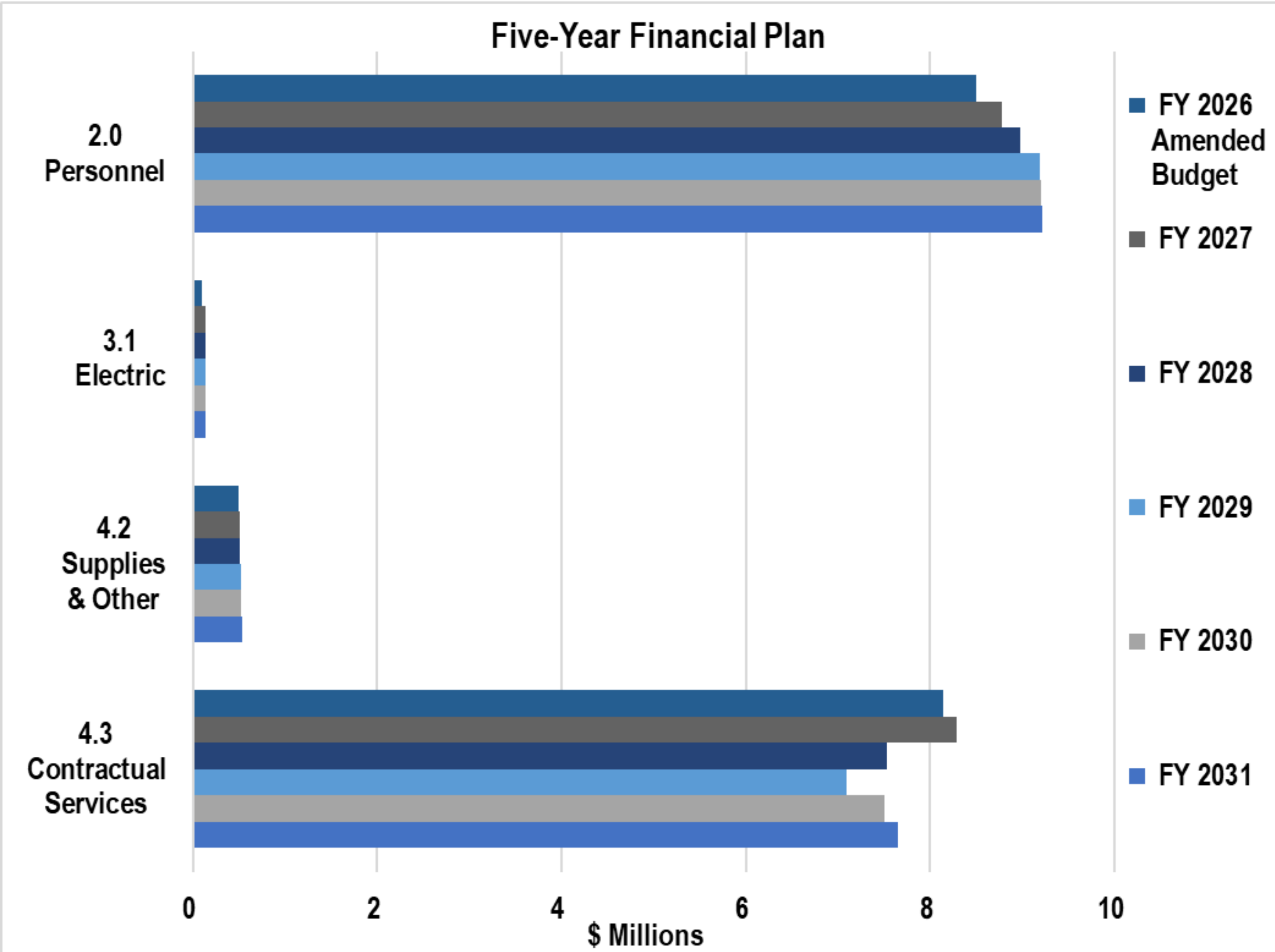
Personnel - Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Planning Officer	$ 337,301	$ 352,900	**$ 352,300**	$ 352,800	$ 353,300	$ 353,700	$ 354,200
Wastewater Analytics, Planning & Metering	441,263	608,800	**627,700**	628,600	629,500	630,400	631,400
Member Services	391,076	455,300	**433,800**	434,500	435,200	435,900	436,600
Asset Management	1,117,471	1,341,000	**1,403,200**	1,405,500	1,407,800	1,410,100	1,412,400
Water Analytics, Planning & Metering	3,462,550	4,219,200	**4,389,400**	4,475,400	4,578,700	4,586,600	4,594,600
Capital Improvement Planning	1,228,586	1,523,700	**1,574,100**	1,679,700	1,785,700	1,788,600	1,791,400
Grand Total	**$ 6,978,247**	**$ 8,500,900**	**$ 8,780,500**	**$ 8,976,500**	**$ 9,190,200**	**$ 9,205,300**	**$ 9,220,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
2.0 Personnel	$ 6,978,247	$ 8,500,900	**$ 8,780,500**	$ 8,976,500	$ 9,190,200	$ 9,205,300	$ 9,220,600
3.1 Electric	130,810	98,200	**135,000**	135,000	135,000	135,000	135,000
4.2 Supplies & Other	462,753	492,600	**507,700**	514,200	521,500	528,200	534,400
4.3 Contractual Services	6,872,142	8,138,800	**8,282,300**	7,534,000	7,091,600	7,509,100	7,648,300
5.1 Capital Program Allocation	(15,980)	-	**-**	-	-	-	-
Grand Total	**$ 14,427,972**	**$ 17,230,500**	**$ 17,705,500**	**$ 17,159,700**	**$ 16,938,300**	**$ 17,377,600**	**$ 17,538,300**

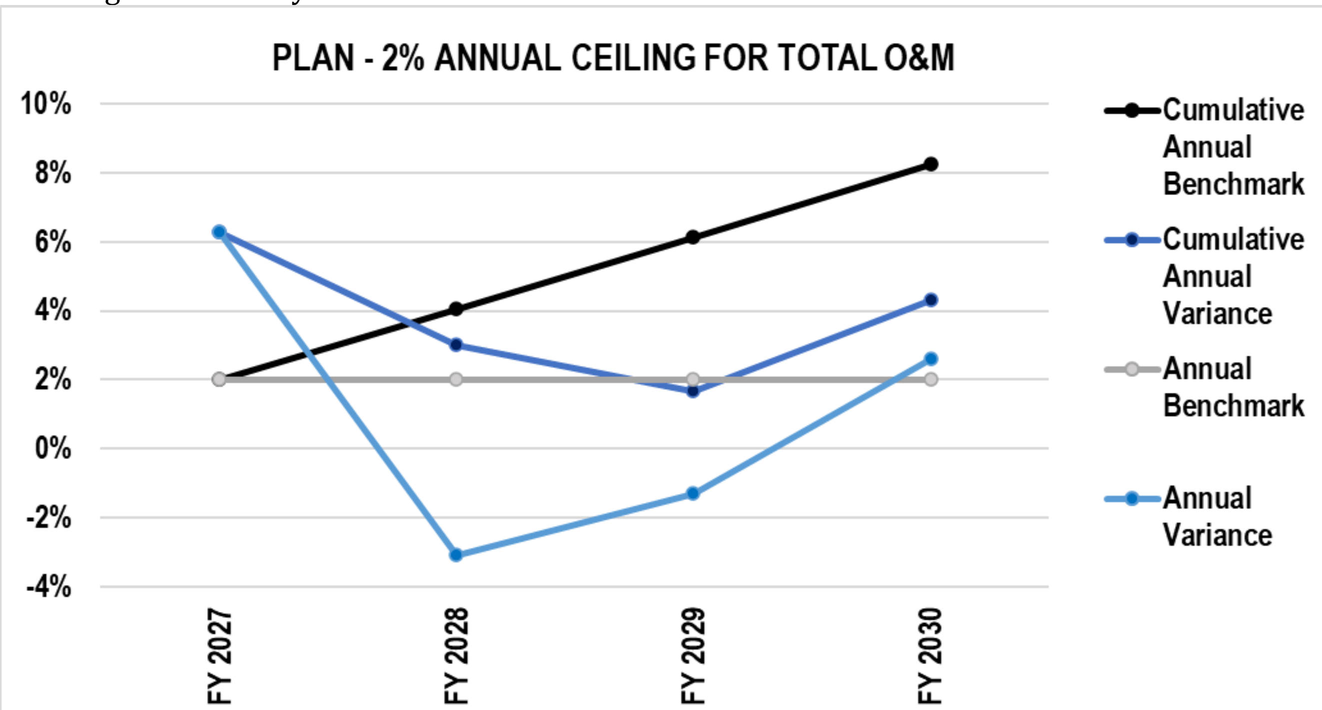


Five Year Financial Plan by Team

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Chief Planning Officer	$ 341,355	$ 363,700	**$ 363,300**	$ 363,900	$ 364,800	$ 365,300	$ 365,800
Wastewater Analytics, Planning & Metering	1,180,969	1,584,400	**1,874,600**	1,917,200	1,916,200	3,111,900	3,252,100
Member Services	1,682,493	1,856,300	**1,852,800**	1,863,500	1,879,200	1,879,900	1,880,600
Asset Management	2,614,167	2,596,000	**3,031,600**	3,234,400	3,237,600	3,140,400	3,142,700
Water Analytics, Planning & Metering	5,171,456	6,193,900	**6,984,200**	7,076,100	7,229,800	6,566,500	6,580,700
Capital Improvement Planning	3,437,532	4,636,200	**3,599,000**	2,704,600	2,310,700	2,313,600	2,316,400
Grand Total	**$ 14,427,972**	**$ 17,230,500**	**$ 17,705,500**	**$ 17,159,700**	**$ 16,938,300**	**$ 17,377,600**	**$ 17,538,300**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Planning Services area financial plan reflects a five-year overall increase of 5.3% while the entity-wide goal is a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). This lower overall increase is driven primarily by the Capital Improvement Planning Team as they continue to transition vendor based efforts in house.



Capital Outlay

Planning Services capital outlay is funded by the Improvement and Extension (I&E) budget. Significant components of the FY 2025 I&E budget are as follows:

- ✓ Flow Metering & Meters – sewage meter design, installation, and replacement program.
- ✓ Tools, Shop & Warehouse – purchase, maintenance, and repair of equipment necessary to repair and maintain meters.

Five-Year Capital Outlay Plan by Asset Category

	Actual	Amended Budget	Proposed Budget		Projected		
Asset Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Furnature & Fixtures	$ 4,886	$ -	**$ -**	$ -	$ -	$ -	$ -
Machinery & Equipment	465,041	296,400	**727,000**	780,800	843,700	907,000	970,700
Grand Total	**$ 469,927**	**$ 296,400**	**$ 727,000**	**$ 780,800**	**$ 843,700**	**$ 907,000**	**$ 970,700**

Five-Year Capital Outlay Plan by Funding Source

	Actual	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Improvement & Extension - Water	$ 133,615	$ -	**$ -**	$ -	$ -	$ -	$ -
Improvement & Extension - Wastewater	336,312	296,400	**727,000**	780,800	843,700	907,000	970,700
Grand Total	**$ 469,927**	**$ 296,400**	**$ 727,000**	**$ 780,800**	**$ 843,700**	**$ 907,000**	**$ 970,700**

Five-Year Capital Outlay Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Planning Officer	$ 4,886	$ -	**$ -**	$ -	$ -	$ -	$ -
Water Analytics, Planning & Metering	465,041	296,400	**727,000**	780,800	843,700	907,000	970,700
Grand Total	**$ 469,927**	**$ 296,400**	**$ 727,000**	**$ 780,800**	**$ 843,700**	**$ 907,000**	**$ 970,700**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is presented on the following pages. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
886001 Chief Planning Officer	**341,355**	**363,700**	**363,300**	**363,900**	**364,800**	**365,300**	**365,800**
2.1 Salaries & Wages	**267,558**	**279,000**	**276,900**	**276,900**	**276,900**	**276,900**	**276,900**
2.4 Employee Benefits	**69,743**	**73,900**	**75,400**	**75,900**	**76,400**	**76,800**	**77,300**
4.2 Supplies & Other	**3,904**	**10,500**	**10,700**	**10,800**	**11,200**	**11,300**	**11,300**
Memberships, Licenses & Subscriptions	205	500	**500**	500	500	500	500
Office Supplies	911	1,000	**1,000**	1,000	1,100	1,100	1,100
Operating Supplies	526	-	**-**	-	-	-	-
Training and Internal Meetings	694	3,000	**3,100**	3,100	3,200	3,200	3,200
Travel	1,568	6,000	**6,100**	6,200	6,400	6,500	6,500
4.3 Contractual Services	**150**	**300**	**300**	**300**	**300**	**300**	**300**
Contractual Operating Services	150	300	**300**	300	300	300	300
886100 Wastewater Analytics, Planning & Metering	**1,181,004**	**1,584,400**	**1,874,600**	**1,917,200**	**1,916,200**	**3,111,900**	**3,252,100**
2.1 Salaries & Wages	**349,371**	**472,800**	**485,900**	**485,900**	**485,900**	**485,900**	**485,900**
2.4 Employee Benefits	**91,892**	**136,000**	**141,800**	**142,700**	**143,600**	**144,500**	**145,500**
4.2 Supplies & Other	**2,823**	**6,600**	**13,400**	**13,400**	**13,400**	**13,400**	**13,400**
Memberships, Licenses & Subscriptions	848	600	**1,200**	1,200	1,200	1,200	1,200
Mileage and Parking	902	1,000	**1,000**	1,000	1,000	1,000	1,000
Office Supplies	102	1,000	**1,000**	1,000	1,000	1,000	1,000
Training and Internal Meetings	882	1,000	**1,000**	1,000	1,000	1,000	1,000
Travel	89	3,000	**9,200**	9,200	9,200	9,200	9,200
4.3 Contractual Services	**752,774**	**969,000**	**1,233,500**	**1,275,200**	**1,273,300**	**2,468,100**	**2,607,300**
Contractual Operating Services All Sewer	55,053	130,500	**1,233,500**	1,275,200	1,273,300	2,468,100	2,607,300
Contractual Professional Services	344,526	605,100	**-**	-	-	-	-
Contractual Professional Services All Sewer	66,685	130,300	**-**	-	-	-	-
Contractual Professional Services All Water	286,510	103,100	**-**	-	-	-	-
5.1 Capital Program Allocation	**(15,856)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(4,498)	-	**-**	-	-	-	-
Capital Program: Salaries & Wages-Direct	(11,358)	-	**-**	-	-	-	-
886101 Member Services	**1,682,493**	**1,856,300**	**1,852,800**	**1,863,500**	**1,879,200**	**1,879,900**	**1,880,600**
2.1 Salaries & Wages	**302,106**	**353,500**	**333,100**	**333,100**	**333,100**	**333,100**	**333,100**
2.4 Employee Benefits	**88,970**	**101,800**	**100,700**	**101,400**	**102,100**	**102,800**	**103,500**
4.2 Supplies & Other	**49,556**	**91,000**	**69,000**	**69,000**	**69,000**	**69,000**	**69,000**
Buildings	375	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	-	1,500	**500**	500	500	500	500
Mileage and Parking	23	500	**1,000**	1,000	1,000	1,000	1,000
Office Supplies	48	2,000	**1,000**	1,000	1,000	1,000	1,000
Operating Supplies	48,250	75,000	**60,000**	60,000	60,000	60,000	60,000
Postage	266	-	**-**	-	-	-	-
Printing	65	-	**-**	-	-	-	-
Training and Internal Meetings	499	3,000	**2,000**	2,000	2,000	2,000	2,000
Travel	30	9,000	**4,500**	4,500	4,500	4,500	4,500
4.3 Contractual Services	**1,241,861**	**1,310,000**	**1,350,000**	**1,360,000**	**1,375,000**	**1,375,000**	**1,375,000**
Contractual Professional Services	682,955	750,000	**750,000**	750,000	750,000	750,000	750,000
Contractual Professional Services All Water	558,906	560,000	**600,000**	610,000	625,000	625,000	625,000

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Line-Item Budget and Financial Plan *(Continued from previous page)*

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
886201 Asset Management	**2,614,167**	**2,596,000**	**3,031,600**	**3,234,400**	**3,237,600**	**3,140,400**	**3,142,700**
2.1 Salaries & Wages	**841,251**	**915,800**	**1,041,000**	**1,041,000**	**1,041,000**	**1,041,000**	**1,041,000**
2.2 Workforce Development	**28,120**	**149,100**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**
2.4 Employee Benefits	**248,100**	**276,100**	**323,200**	**325,500**	**327,800**	**330,100**	**332,400**
4.2 Supplies & Other	**31,112**	**45,500**	**63,400**	**63,900**	**64,800**	**65,300**	**65,300**
Equipment Repairs & Maintenance	853	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	1,301	2,400	**2,400**	2,400	2,800	2,800	2,800
Mileage and Parking	5,211	3,000	**3,000**	3,000	3,000	3,000	3,000
Miscellaneous Expense	47	-	**-**	-	-	-	-
Office Supplies	3,375	4,600	**5,000**	5,500	6,000	6,500	6,500
Operating Supplies	4,390	7,000	**5,000**	5,000	5,000	5,000	5,000
Postage	37	-	**-**	-	-	-	-
Software Repairs & Maintenance	-	-	**15,000**	15,000	15,000	15,000	15,000
Training and Internal Meetings	6,478	16,000	**16,000**	16,000	16,000	16,000	16,000
Travel	4,277	12,000	**12,000**	12,000	12,000	12,000	12,000
Tuition Refund	5,143	500	**5,000**	5,000	5,000	5,000	5,000
4.3 Contractual Services	**1,465,584**	**1,209,500**	**1,565,000**	**1,765,000**	**1,765,000**	**1,665,000**	**1,665,000**
Contractual Professional Services	112,369	200,000	**300,000**	500,000	500,000	400,000	400,000
Contractual Professional Services All Sewer	208,146	100,000	**165,000**	165,000	165,000	165,000	165,000
Contractual Professional Services All Water	1,145,069	909,500	**1,100,000**	1,100,000	1,100,000	1,100,000	1,100,000

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Line-Item Budget and Financial Plan *(Continued from previous page)*

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
886401 Water Analytics, Planning & Metering	**5,171,421**	**6,193,900**	**6,984,200**	**7,076,100**	**7,229,800**	**6,566,500**	**6,580,700**
2.1 Salaries & Wages	**1,923,839**	**2,253,600**	**2,352,000**	**2,409,700**	**2,478,800**	**2,478,800**	**2,478,800**
2.2 Workforce Development	**147,332**	**141,900**	**146,300**	**146,300**	**146,300**	**146,300**	**146,300**
2.3 Overtime	**147,757**	**178,500**	**181,000**	**181,000**	**181,000**	**181,000**	**181,000**
2.4 Employee Benefits	**782,639**	**843,300**	**908,200**	**936,500**	**970,700**	**978,600**	**986,600**
2.5 Transition Services	**460,983**	**801,900**	**801,900**	**801,900**	**801,900**	**801,900**	**801,900**
3.1 Electric	**130,810**	**98,200**	**135,000**	**135,000**	**135,000**	**135,000**	**135,000**
4.2 Supplies & Other	**352,919**	**326,500**	**326,300**	**332,200**	**338,100**	**344,200**	**350,400**
Capital Outlay less than $5,000	134,501	190,000	**163,000**	166,300	169,600	173,000	176,500
Equipment Repairs & Maintenance	120,781	68,000	**90,000**	91,800	93,600	95,500	97,400
Facilities Repairs & Maintenance	79	-	**-**	-	-	-	-
Hardware Repairs & Maintenance	44,130	10,000	**10,000**	10,200	10,400	10,600	10,800
Janitorial	34	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	224	2,500	**2,500**	2,500	2,500	2,500	2,500
Mileage and Parking	1,444	2,500	**2,500**	2,500	2,500	2,500	2,500
Miscellaneous Repairs & Maintenance	-	10,000	**10,000**	10,200	10,400	10,600	10,800
Office Supplies	5,492	7,000	**7,000**	7,000	7,000	7,000	7,000
Operating Supplies	27,477	16,000	**20,000**	20,400	20,800	21,200	21,600
Training and Internal Meetings	2,340	5,100	**5,100**	5,100	5,100	5,100	5,100
Travel	2,865	2,700	**2,700**	2,700	2,700	2,700	2,700
Tuition Refund	-	500	**500**	500	500	500	500
Uniforms, Laundry, Cleaning	13,552	12,200	**13,000**	13,000	13,000	13,000	13,000
4.3 Contractual Services	**1,225,266**	**1,550,000**	**2,133,500**	**2,133,500**	**2,178,000**	**1,500,700**	**1,500,700**
Contract Services-Information Technology	-	-	**-**	-	-	-	-
Contractual Operating Services All Sewer	1,173,064	900,000	**1,133,500**	1,133,500	1,178,000	1,500,700	1,500,700
Contractual Professional Services	52,202	-	**-**	-	-	-	-
Contractual Professional Services All Water	-	650,000	**1,000,000**	1,000,000	1,000,000	-	-
5.1 Capital Program Allocation	**(124)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(35)	-	**-**	-	-	-	-
Capital Program: Salaries & Wages-Direct	(89)	-	**-**	-	-	-	-
886601 Capital Improvement Planning	**3,437,532**	**4,636,200**	**3,599,000**	**2,704,600**	**2,310,700**	**2,313,600**	**2,316,400**
2.1 Salaries & Wages	**956,536**	**1,117,700**	**1,193,700**	**1,272,300**	**1,351,000**	**1,351,000**	**1,351,000**
Salaries & Wages	956,536	1,117,700	**1,193,700**	1,272,300	1,351,000	1,351,000	1,351,000
2.2 Workforce Development	**11,502**	**76,000**	**20,600**	**20,600**	**20,600**	**20,600**	**20,600**
Salaries & Wages - Internships	11,497	76,000	**20,600**	20,600	20,600	20,600	20,600
Salaries & Wages - Internships - Overtime	5	-	**-**	-	-	-	-
2.4 Employee Benefits	**260,548**	**330,000**	**359,800**	**386,800**	**414,100**	**417,000**	**419,800**
Employee Benefits - Employer Paid	260,548	330,000	**359,800**	386,800	414,100	417,000	419,800
4.2 Supplies & Other	**22,439**	**12,500**	**24,900**	**24,900**	**25,000**	**25,000**	**25,000**
Memberships, Licenses & Subscriptions	1,770	2,500	**2,600**	2,600	2,600	2,600	2,600
Mileage and Parking	20	1,000	**300**	300	300	300	300
Office Supplies	662	2,000	**2,000**	2,000	2,100	2,100	2,100
Operating Supplies	472	-	**-**	-	-	-	-
Training and Internal Meetings	12,786	2,000	**10,000**	10,000	10,000	10,000	10,000
Travel	6,729	5,000	**10,000**	10,000	10,000	10,000	10,000
4.3 Contractual Services	**2,186,507**	**3,100,000**	**2,000,000**	**1,000,000**	**500,000**	**500,000**	**500,000**
Contractual Professional Services	2,186,507	3,100,000	**2,000,000**	1,000,000	500,000	500,000	500,000
Grand Total	**14,427,972**	**17,230,500**	**17,705,500**	**17,159,700**	**16,938,300**	**17,377,600**	**17,538,300**

Systems Control

The Systems Control area (also referred to as Systems Operations Control) operates the water transmission system by controlling and monitoring the distribution of water throughout the regional water system. The treatment and distribution systems are controlled by an award-winning state of the art Supervisory Control and Data Acquisition (SCADA) system. Operators remotely control the pumps and valves that allow the system to deliver water to, and receive wastewater from, our member partner communities. Access to real-time data from the system allows quicker response, reaction, detection, and isolation of system leaks and rapidly changing conditions such as storm water inflow.

Strategic Initiatives

- **Control Systems Enhancement (Ongoing)**
  Drive the use of Ovation (distributed control system) and OSIsoft PI (application software for real-time data infrastructure solutions called process information) systems for technology enhancement and analytics.
- **Operational Efficiency (Ongoing)**
  - Improve operational efficiency, maintain regulatory and environmental compliance, and accommodate future systems expansion.
  - Implement real-time pump curves at all booster stations for pump efficiency monitoring.
  - Pressure compliance is one of the metrics reported on by Systems Control to ELT monthly.
  - Recruit and develop staff to ensure institutional knowledge is retained, transferred, and improved over time.
  - Invest in opportunities for professional and leadership development.
  - Continue to foster organizational collaboration, learning, and innovation.

The table below shows how the system control area strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Systems Control Strategic Initiatives	Control System Enhancements		x		x	x	x					
	Operational Efficiency		x		x	x	x					

Systems Control Contracts

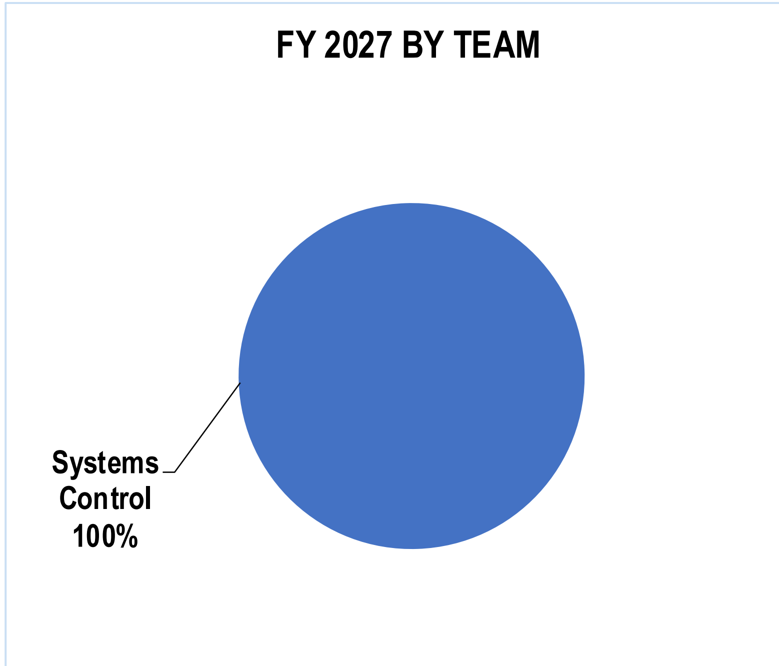
The Systems Control budget contains several contractual services related to VFD (Variable Frequency Drive) maintenance and service, and specialized services for engineering, instrumentation, and SCADA network. Budgeted amounts beyond contract dates are estimates for future study updates, or subsequent implementation of a program. These services would generally require a separate procurement process. The chart below includes the key contracts for these services. It should be noted that contract 2004889 is shared with other departments.

Significant Contracts

Project Description	**Specialized Services (contract split w/ Field Service)**	**Professional Engineering Services for Instrumentation & SCADA**	**Low Voltage Electrical Wiring**	**Ovation Upgrade Contract**	**Total of Significant Contracts**
Prime Consultant or Supplier	Lakeshore Global Corp	PCI LLC	Lakeshore Global Corp	Emerson Process Management	
Contract #	N/A	2102983	2004773	2101167	
Workday Contract #	SCN-0000550	SCN-0000332	SCN-0000098	SCN-0000347	
Contract Amount	$ 2,142,616	$ 6,894,869	$ 5,639,560	$ 6,855,868	
Contract End Date	01/31/27	12/31/26	07/18/25	03/12/26	
Cost Center Name	Systems Operations Control	Systems Operations Control	Systems Operations Control	Systems Operations Control	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Water	Water	Combined	Water	
Pre-FY 2025 Spend	$ 27,427,409	$ 14,178,697	$ 11,809,359	$ -	
Pre-FY 2025 Average Spend (*)	$ 3,918,201	$ 1,718,630	$ 1,687,051	$ -	
FY 2025 Spend	3,399,228	2,011,979	3,101,831	912,604	9,425,642
FY 2026 Amended	1,823,000	1,900,000	1,800,000	862,000	6,385,000
FY 2027	**1,859,400**	**1,300,000**	**1,836,000**	**400,000**	**5,395,400**
FY 2028	1,896,700	1,326,000	1,872,700	1,443,000	6,538,400
FY 2029	1,934,600	1,352,500	1,910,200	1,400,000	6,597,300
FY 2030	1,973,300	1,379,600	1,948,400	580,000	5,881,300
FY 2031	2,012,700	1,407,200	1,987,300	580,000	5,987,200
Total	**$ 42,326,338**	**$ 24,855,976**	**$ 26,265,790**	**$ 6,177,604**	**$ 99,625,707**

Organization

The Systems Control area has one team.



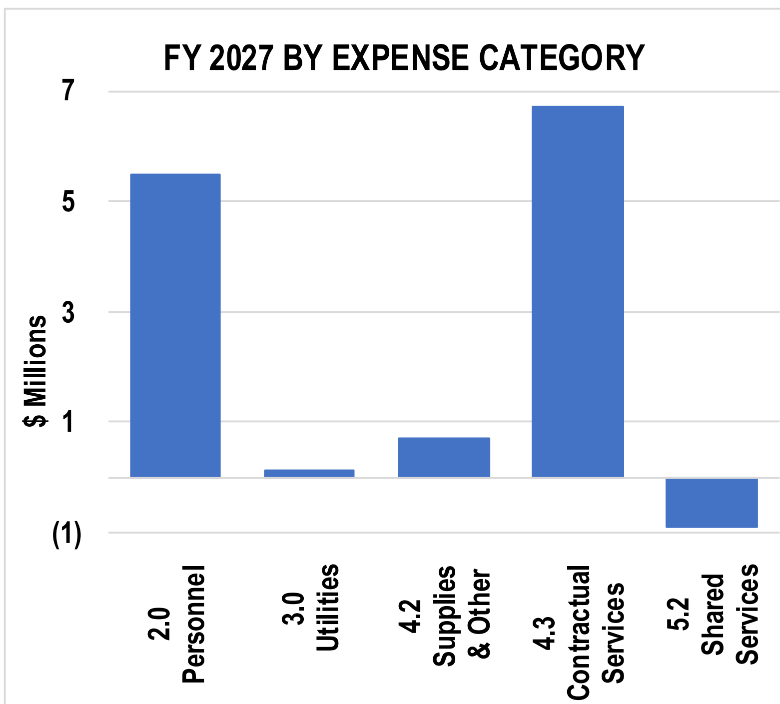
Expense Categories

The two major categories of Systems Control expenses in the operations and maintenance budget are:

- Contractual Services
- Personnel

Contractual Services are the highest expense category for Systems Control. Contractual services are heavily utilized in the Systems Control group to perform various maintenance, monitoring, and evaluations of the distribution systems to maintain operational readiness.

Personnel costs are the second highest expense category.



Biennial Budget Request

The biennial budget reflects a decrease of $1.9 million or 13.5% for FY 2027. Key factors that impact the FY 2027 budget include the following:

- ❖ Contractual Services decreased by $1.9 million primarily due to $0.9 million transferred to Wastewater Operations for instrumentation & SCADA systems services with PCI LLC, $0.5 million for United States Geological Survey river quality monitoring moved to Water Analytics, and a $0.5 million reduction expected in services from Emerson Process Management.
- ❖ Shared Services reimbursements increased $42,600 based on prior year's spend and anticipated utilization.
- ❖ Utilities increased $30,100 mainly due to electricity to align with prior year's spend.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 5,476,047	$ 5,485,700	$ 1,415,024	**$ 5,498,800**	**$ 13,100**	**0.2%**	$ 5,819,000
3.0 Utilities	112,197	76,200	17,616	**106,300**	**30,100**	**39.5%**	110,300
4.2 Supplies & Other	515,308	676,900	11,374	**688,800**	**11,900**	**1.8%**	688,800
4.3 Contractual Services	12,493,427	8,605,200	2,089,283	**6,706,700**	**(1,898,500)**	**-22.1%**	7,875,900
5.2 Shared Services	(1,293,986)	(853,100)	(227,364)	**(895,700)**	**(42,600)**	**5.0%**	(940,500)
5.5 Intergovermental Agreement	(461,268)	-	-	**-**	**-**	**n/a**	-
Grand Total	$ 16,841,725	$ 13,990,900	$ 3,305,932	**$ 12,104,900**	**$ (1,886,000)**	**-13.5%**	$ 13,553,500

Personnel Budget

Systems Control personnel consist of 46 positions for FY 2027. The staffing plan increased by three positions for a second SCADA director position, a SCADA Technician, and a Professional Administrative Analyst. Systems Control is largely comprised of technicians that operate and maintain instrumentation equipment in the water operations, field services, pumping stations, electrical systems, computerized process controls, and equipment. The staffing plan includes three apprentice positions which show GLWA's commitment to developing its workforce and sustaining it for the future.

Staffing Plan – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

	Staffing Plan						
Team Member Type	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**42.00**	**40.00**	**43.00**	**43.00**	**43.00**	**43.00**	**43.00**
Systems Operations Control	42.00	40.00	43.00	43.00	43.00	43.00	43.00
Apprentice	**2.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
Systems Operations Control	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	**44.00**	**43.00**	**46.00**	**46.00**	**46.00**	**46.00**	**46.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

	Full Time Equivalents (FTEs)						
Operating Area and Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Systems Operations Control	**40.00**	**39.25**	**37.00**	**40.00**	**43.00**	**43.00**	**43.00**
Grand Total	**40.00**	**39.25**	**37.00**	**40.00**	**43.00**	**43.00**	**43.00**

Personnel Budget - The following tables present the Systems Control personnel budget by expense category. The tables are presented for both the biennial budget and by the five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	**Actual**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
2.1 Salaries & Wages	$ 2,832,209	$ 2,993,100	$ 737,732	**$ 2,961,200**	**$ (31,900)**	**-1.1%**	$ 3,190,200
2.2 Workforce Development	198,946	128,400	37,575	**146,400**	**18,000**	**14.0%**	146,400
2.3 Overtime	1,245,600	1,210,000	305,657	**1,235,000**	**25,000**	**2.1%**	1,235,000
2.4 Employee Benefits	1,199,292	1,154,200	334,060	**1,156,200**	**2,000**	**0.2%**	1,247,400
Grand Total	**$ 5,476,047**	**$ 5,485,700**	**$ 1,415,024**	**$ 5,498,800**	**$ 13,100**	**0.2%**	**$ 5,819,000**

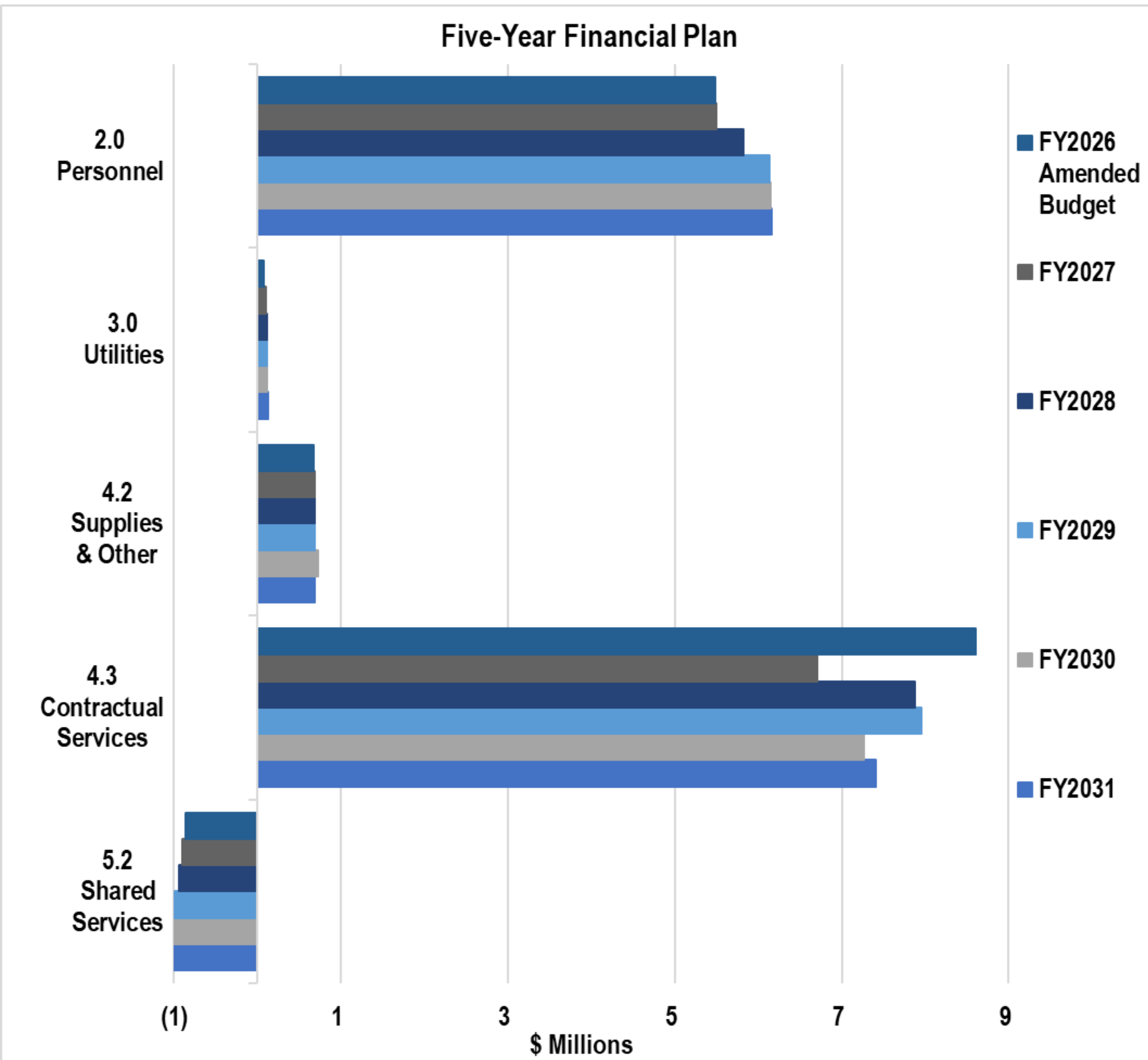
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
2.1 Salaries & Wages	$ 2,832,209	$ 2,993,100	**$ 2,961,200**	$ 3,190,200	$ 3,430,200	$ 3,430,200	$ 3,430,200
2.2 Workforce Development	198,946	128,400	**146,400**	146,400	146,400	146,400	146,400
2.3 Overtime	1,245,600	1,210,000	**1,235,000**	1,235,000	1,223,100	1,223,100	1,223,100
2.4 Employee Benefits	1,199,292	1,154,200	**1,156,200**	1,247,400	1,341,000	1,350,900	1,360,800
Grand Total	**$ 5,476,047**	**$ 5,485,700**	**$ 5,498,800**	**$ 5,819,000**	**$ 6,140,700**	**$ 6,150,600**	**$ 6,160,500**

Five-Year Financial Plan

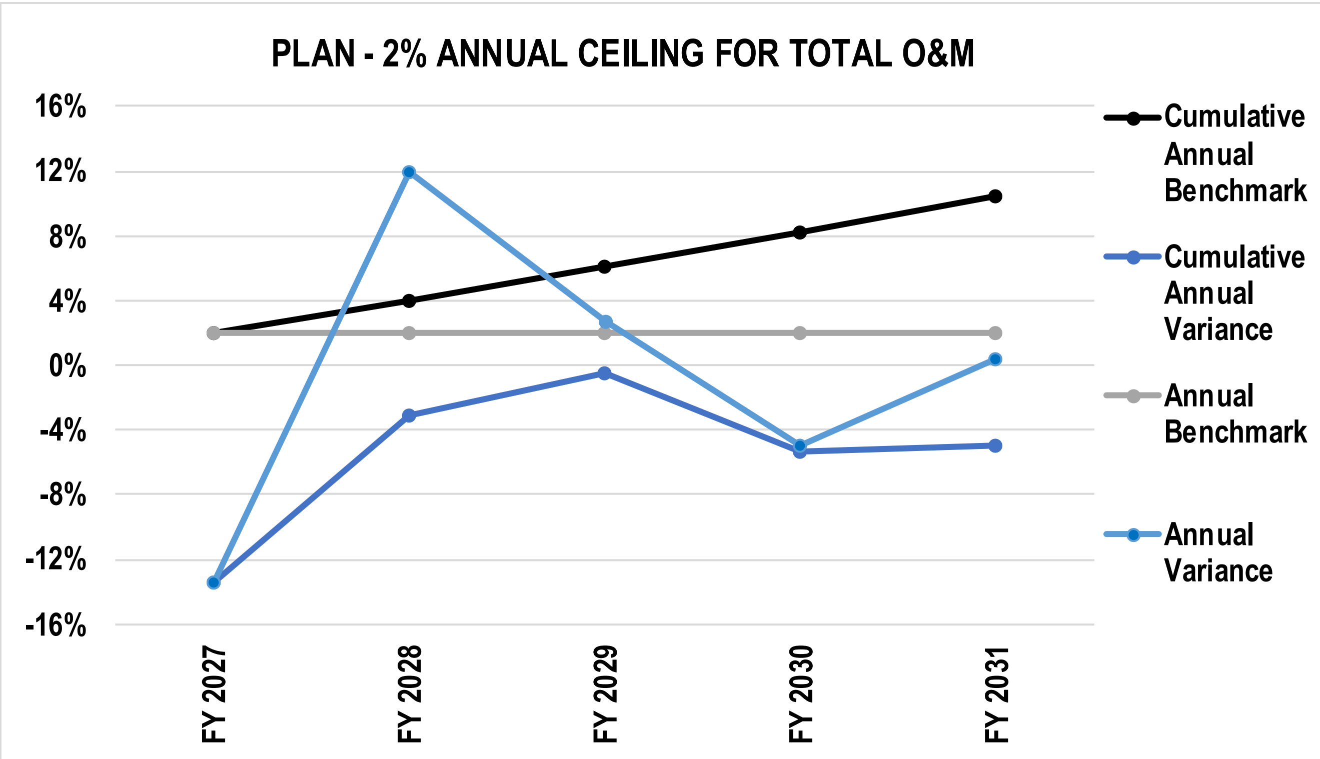
Five-Year Financial Plan by Expense Category

Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.0 Personnel	$ 5,476,047	$ 5,485,700	**$ 5,498,800**	$ 5,819,000	$ 6,140,700	$ 6,150,600	$ 6,160,500
3.0 Utilities	112,197	76,200	**106,300**	110,300	115,400	121,600	127,600
4.2 Supplies & Other	515,308	676,900	**688,800**	688,800	688,800	727,700	688,800
4.3 Contractual Services	12,493,427	8,605,200	**6,706,700**	7,875,900	7,961,500	7,272,700	7,406,500
5.2 Shared Services	(1,293,986)	(853,100)	**(895,700)**	(940,500)	(987,600)	(1,037,000)	(1,088,800)
5.5 Intergovermental Agreement	(461,268)	-	**-**	-	-	-	-
Grand Total	**$ 16,841,725**	**$ 13,990,900**	**$ 12,104,900**	**$ 13,553,500**	**$ 13,918,800**	**$ 13,235,600**	**$ 13,294,600**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Systems Control Group's financial plan reflects a five-year overall decrease of 5.0% which is well within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The largest decrease is in FY 2027.



Capital Outlay

Systems Control capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset

Asset Category	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Information Technology	**$75,000**	**$75,000**	**$75,000**	**$75,000**	**$75,000**	**$75,000**
Software	75,000	75,000	75,000	75,000	75,000	75,000
Machinery & Equipment	**3,125,000**	**7,700,000**	**6,600,000**	**6,450,000**	**4,950,000**	**4,950,000**
Controls and Communication	2,450,000	6,050,000	4,950,000	4,950,000	3,450,000	3,450,000
Furniture & Fixtures	-	150,000	150,000	-	-	-
Pipes, Gates and Valves	300,000	600,000	600,000	600,000	600,000	600,000
Process Equipment/Treatment	-	150,000	150,000	150,000	150,000	150,000
Pumps & Motors < 25mgd	375,000	750,000	750,000	750,000	750,000	750,000
Grand Total	**$3,200,000**	**$7,775,000**	**$6,675,000**	**$6,525,000**	**$5,025,000**	**$5,025,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	$ 2,234,819	$ 3,200,000	**$ 7,775,000**	$ 6,675,000	$ 6,525,000	$ 5,025,000	$ 5,025,000
Grand Total	**$ 2,234,819**	**$ 3,200,000**	**$ 7,775,000**	**$ 6,675,000**	**$ 6,525,000**	**$ 5,025,000**	**$ 5,025,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
882301 Systems Operations Control	**$ 16,841,725**	**$ 13,990,900**	**$ 12,104,900**	**$ 13,553,500**	**$ 13,918,800**	**$ 13,235,600**	**$ 13,294,600**
2.1 Salaries & Wages	**2,832,209**	**2,993,100**	**2,961,200**	**3,190,200**	**3,430,200**	**3,430,200**	**3,430,200**
2.2 Workforce Development	**198,946**	**128,400**	**146,400**	**146,400**	**146,400**	**146,400**	**146,400**
2.3 Overtime	**1,245,600**	**1,210,000**	**1,235,000**	**1,235,000**	**1,223,100**	**1,223,100**	**1,223,100**
2.4 Employee Benefits	**1,199,292**	**1,154,200**	**1,156,200**	**1,247,400**	**1,341,000**	**1,350,900**	**1,360,800**
3.1 Electric	**95,019**	**73,400**	**96,000**	**100,000**	**105,000**	**111,000**	**117,000**
3.2 Gas	**209**	**200**	**200**	**200**	**300**	**300**	**300**
3.3 Sewage Service	**12,038**	**2,000**	**9,500**	**9,500**	**9,500**	**9,600**	**9,600**
3.4 Water Service	**4,931**	**600**	**600**	**600**	**600**	**700**	**700**
4.2 Supplies & Other	**515,308**	**676,900**	**688,800**	**688,800**	**688,800**	**727,700**	**688,800**
Buildings	86,262	34,500	27,400	27,400	27,400	66,300	27,400
Capital Outlay less than $5,000	145,404	50,000	70,000	70,000	70,000	70,000	70,000
Employee Uniform Expense	28,666	25,000	25,000	25,000	25,000	25,000	25,000
Equipment Repairs & Maintenance	1,365	348,300	339,300	339,300	339,300	339,300	339,300
Fuel	44	-	-	-	-	-	-
Hardware Repairs & Maintenance	74,775	-	-	-	-	-	-
Janitorial	1,974	1,000	-	-	-	-	-
Memberships, Licenses & Subscriptions	76,211	29,400	29,400	29,400	29,400	29,400	29,400
Mileage and Parking	1,927	4,000	4,000	4,000	4,000	4,000	4,000
Office Supplies	8,208	12,200	12,200	12,200	12,200	12,200	12,200
Operating Supplies	70,084	130,000	130,000	130,000	130,000	130,000	130,000
Property Taxes	(8,461)	5,000	5,000	5,000	5,000	5,000	5,000
Software Repairs & Maintenance	3,638	-	-	-	-	-	-
Training and Internal Meetings	14,830	26,000	30,000	30,000	30,000	30,000	30,000
Travel	10,381	10,000	15,000	15,000	15,000	15,000	15,000
Tuition Refund	-	1,500	1,500	1,500	1,500	1,500	1,500
4.3 Contractual Services	**12,493,427**	**8,605,200**	**6,706,700**	**7,875,900**	**7,961,500**	**7,272,700**	**7,406,500**
Contract Services-Information Technology	1,198,549	862,000	-	-	-	-	-
Contractual Buildings & Grounds Maint	2,855	8,600	8,800	8,900	9,100	9,300	9,500
Contractual Operating Services	4,433,151	2,837,800	1,838,000	1,874,700	1,912,200	1,950,400	1,989,300
Contractual Operating Services All Water	-	-	1,056,500	1,077,700	1,099,200	1,121,200	1,143,600
Contractual Professional Services	4,673,996	4,262,200	1,162,800	1,186,100	1,209,800	1,234,000	1,258,700
Contractual Professional Services All Sewer	2,184,876	634,600	137,700	140,500	143,300	146,100	149,100
Contractual Professional Services All Water	-	-	2,502,900	3,588,000	3,587,900	2,811,700	2,856,300
5.2 Shared Services	**(1,293,986)**	**(853,100)**	**(895,700)**	**(940,500)**	**(987,600)**	**(1,037,000)**	**(1,088,800)**
Shared Services: Employee Benefit Reimb	(72,005)	(74,500)	(78,200)	(82,100)	(86,200)	(90,500)	(95,000)
Shared Services Reimbursement	(901,568)	(592,400)	(622,000)	(653,100)	(685,800)	(720,100)	(756,100)
Shared Services Salaries & Wages Reimb	(320,413)	(186,200)	(195,500)	(205,300)	(215,600)	(226,400)	(237,700)
5.5 Intergovermental Agreement	**(461,268)**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**$ 16,841,725**	**$ 13,990,900**	**$ 12,104,900**	**$ 13,553,500**	**$ 13,918,800**	**$ 13,235,600**	**$ 13,294,600**

Facility Operations

The Facility Operations area is responsible for maintaining and managing all properties, such as the grounds and structures associated with the water and wastewater system. These activities include, but are not limited to roofs, elevators, overhead doors, door hardware, locks and keys, glass repairs, electrical work, painting, and other maintenance.

Strategic Initiative

- **Improving buildings and grounds efficiency (Ongoing)**
  Ensure facilities, buildings and grounds are properly maintained, secure, environmentally safe and upgraded to support GLWA's specific operations.
- **Ensure life safety, security and health & welfare of employees and visitors (Ongoing)**
  All facility systems must operate properly to provide a clean and safe working environment.

The table below shows how the facility operations area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Facility Operations Strategic Initiatives	Improving building & grounds efficiency		x		x	x	x					
	Ensure life safety, security and health & welfare of employees and visitors		x		x	x	x					

Facility Operations Contracts

The Facility Operations budget contains several contractual services to provide maintenance and repairs for all GLWA facilities including, but not limited to lawn care, snow removal, rubbish removal, elevator maintenance and extermination services. The following table lists the key contracts for the Facility Operations area. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process.

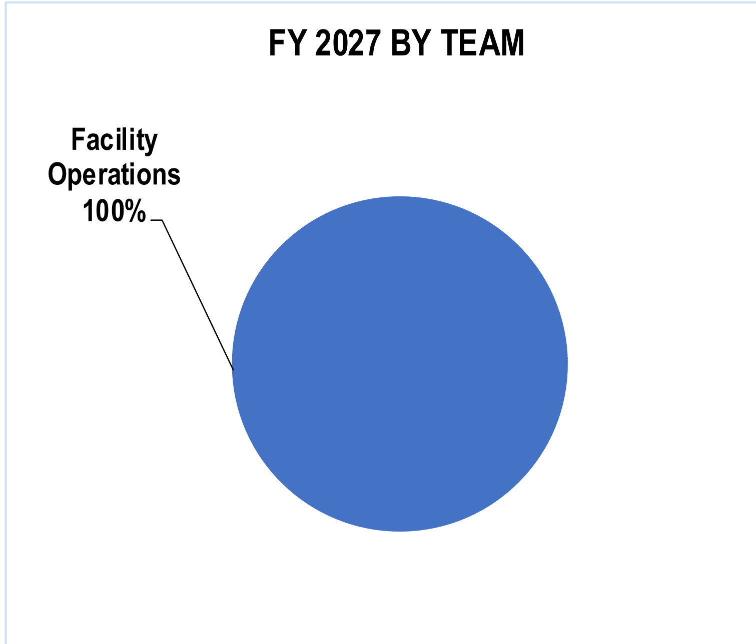
The Du-All Cleaning, Inc. commercial janitorial services contract is shared across multiple cost centers.

Significant Contracts

Project Description	Commerical Janitorial Services	Deicing/Snow Removal Services	Lawncare/ Grounds Maintenance	Elevators Preventative Maintenance & Repair Service	Refuse & Recycling Service	Shared Facilities Shared Cost	Total of Significant Contracts
Prime Consultant or Supplier	Du-All Cleaning, Inc.	Premier Group Associates	Landscape Services, Inc	KONE Inc	Waste Management	OPS-006 DWSD Shared Service	
Contract #	N/A	2301775	2204058	2100340	2303534		
Workday Contract #	SCN-0000590	SCN-0000408	SCN-0000395	SCN-0000315	SCN-0000163		
Contract Amount	$ 4,636,772	$ 2,874,204	$ 4,496,865	$ 6,519,345	$ 83,754	N/A	
Contract End Date	04/05/28	05/17/27	12/31/26	10/31/26	12/14/24		
Cost Center Name	Various	Facility Operations	Facility Operations	Facility Operations	Facility Operations	Facility Operations	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Combined	Combined	Combined	Combined	Combined	Combined	
Pre-FY 2025 Spend	$ 12,046,213	$ 2,544,647	$ 7,835,102	$ 3,457,516	$ 1,037,430	$ 18,247,971	
Pre-FY 2025 Average Spend (*)	$ 1,446,124	$ 305,480	$ 979,388	$ 415,068	$ 124,541	$ 2,146,820	
FY 2025 Spend	1,843,444	433,150	1,451,178	703,322	81,955	2,466,505	6,979,554
FY 2026 Amended	1,356,600	500,000	1,600,000	750,000	100,000	2,590,200	6,896,800
FY 2027	**1,516,600**	**510,000**	**1,600,000**	**750,000**	**100,000**	**2,642,000**	**7,118,600**
FY 2028	1,531,800	520,200	1,632,000	750,000	100,000	2,694,800	7,228,800
FY 2029	1,552,700	530,600	1,664,600	750,000	100,000	2,748,700	7,346,600
FY 2030	1,568,400	541,200	1,697,900	750,000	100,000	2,803,700	7,461,200
FY 2031	1,590,000	552,000	1,731,900	750,000	100,000	2,803,700	7,527,600
Total	**$ 23,005,757**	**$ 6,131,797**	**$ 19,212,680**	**$ 8,660,838**	**$ 1,719,385**	**$ 36,997,577**	**$ 95,728,034**

Organization

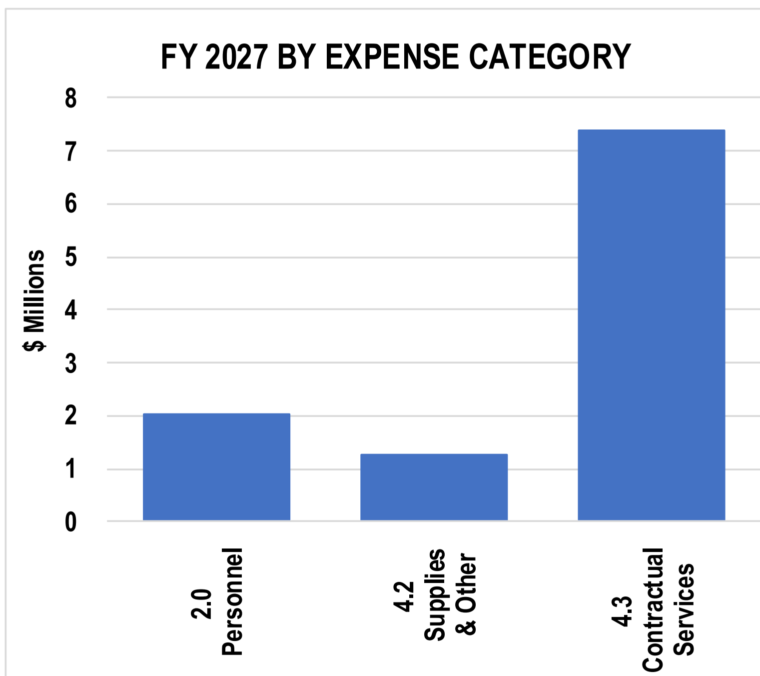
The Facility Operations area has one team.



Expense Categories

The two major categories of Facility Operations expenses in the operations and maintenance budget are:

- ❖ Contractual Services
- ❖ Personnel



Contractual Services is the largest expense category for Facility Operations. The level of contractual services reflects the decision to contract for certain non-core services which includes lawn care maintenance, snow removal, rubbish removal, extermination services, elevator maintenance, preventative maintenance, Detroit Water & Sewerage Department (DWSD) shared services (OPS-006 – Shared Facilities Shared Cost) as well as the efficient management of peak workload activities.

Personnel costs represent the second largest expense category.

Biennial Budget Request

The biennial budget reflects a decrease of $1,448,900, or 12.0%, in FY 2027.

- Personnel Expense increased $71,300 primarily due to merit adjustments.
- Supplies & Other increased $238,200 due to buildings & ground repairs and maintenance.
- Decrease of $1.8 million to Contractual Services primarily due to lower GLWA Reimbursement to DWSD for CIP projects.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 1,806,497	$ 1,949,400	$ 501,067	**$ 2,020,700**	**$ 71,300**	**3.7%**	$ 2,207,900
4.2 Supplies & Other	1,113,494	1,024,000	141,758	**1,262,200**	**238,200**	**23.3%**	1,262,200
4.3 Contractual Services	10,099,126	9,131,700	1,954,058	**7,373,300**	**(1,758,400)**	**-19.3%**	6,151,200
Grand Total	**$ 13,019,117**	**$ 12,105,100**	**$ 2,596,883**	**$ 10,656,200**	**$ (1,448,900)**	**-12.0%**	**$ 9,621,300**

Personnel Budget

Facility Operations personnel consist of 21 positions for FY 2027 and is largely comprised of operations staffing that perform a variety of skilled facility work relative to the operations and maintenance of water and wastewater facilities.

Staffing Plan - The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

	Staffing Plan						
Team Member Type	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**23.00**	**20.00**	**21.00**	**21.00**	**21.00**	**21.00**	**21.00**
Facility Operations	23.00	20.00	21.00	21.00	21.00	21.00	21.00
Grand Total	**23.00**	**20.00**	**21.00**	**21.00**	**21.00**	**21.00**	**21.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

	Full Time Equivalents (FTEs)						
Operating Area and Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Facility Operations	**18.50**	**15.50**	**15.75**	**17.50**	**19.50**	**19.50**	**19.50**
Grand Total	**18.50**	**15.50**	**15.75**	**17.50**	**19.50**	**19.50**	**19.50**

Personnel Budget - The following tables present the Facility Operations personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 1,281,336	$ 1,384,300	$ 350,215	**$ 1,441,800**	**$ 57,500**	**4.2%**	$ 1,576,900
2.3 Overtime	102,490	110,000	30,449	**98,000**	**(12,000)**	**-10.9%**	98,000
2.4 Employee Benefits	422,671	455,100	120,403	**480,900**	**25,800**	**5.7%**	533,000
Grand Total	**$ 1,806,497**	**$ 1,949,400**	**$ 501,067**	**$ 2,020,700**	**$ 71,300**	**3.7%**	**$ 2,207,900**

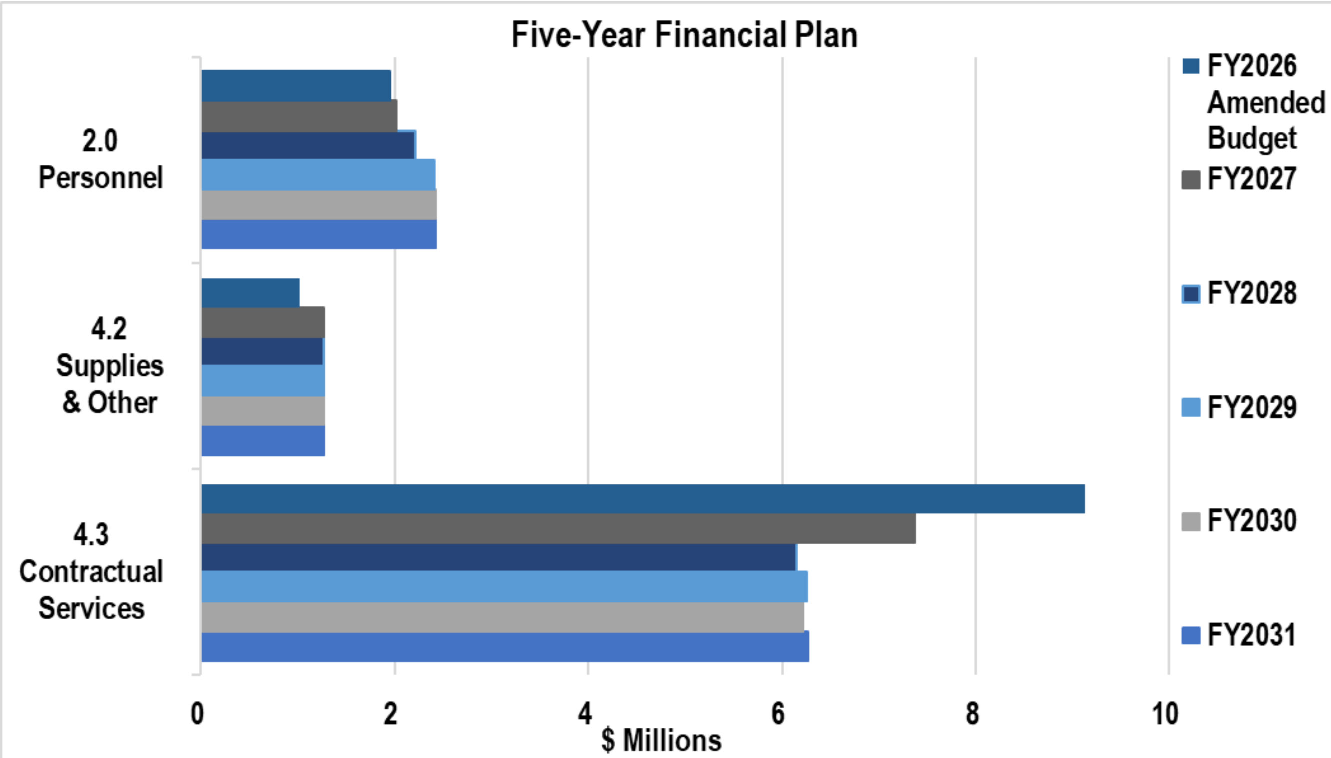
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 1,281,336	$ 1,384,300	**$ 1,441,800**	$ 1,576,900	$ 1,725,300	$ 1,725,300	$ 1,725,300
2.3 Overtime	102,490	110,000	**98,000**	98,000	98,000	98,000	98,000
2.4 Employee Benefits	422,671	455,100	**480,900**	533,000	591,800	596,300	600,800
Grand Total	**$ 1,806,497**	**$ 1,949,400**	**$ 2,020,700**	**$ 2,207,900**	**$ 2,415,100**	**$ 2,419,600**	**$ 2,424,100**

Five-Year Financial Plan

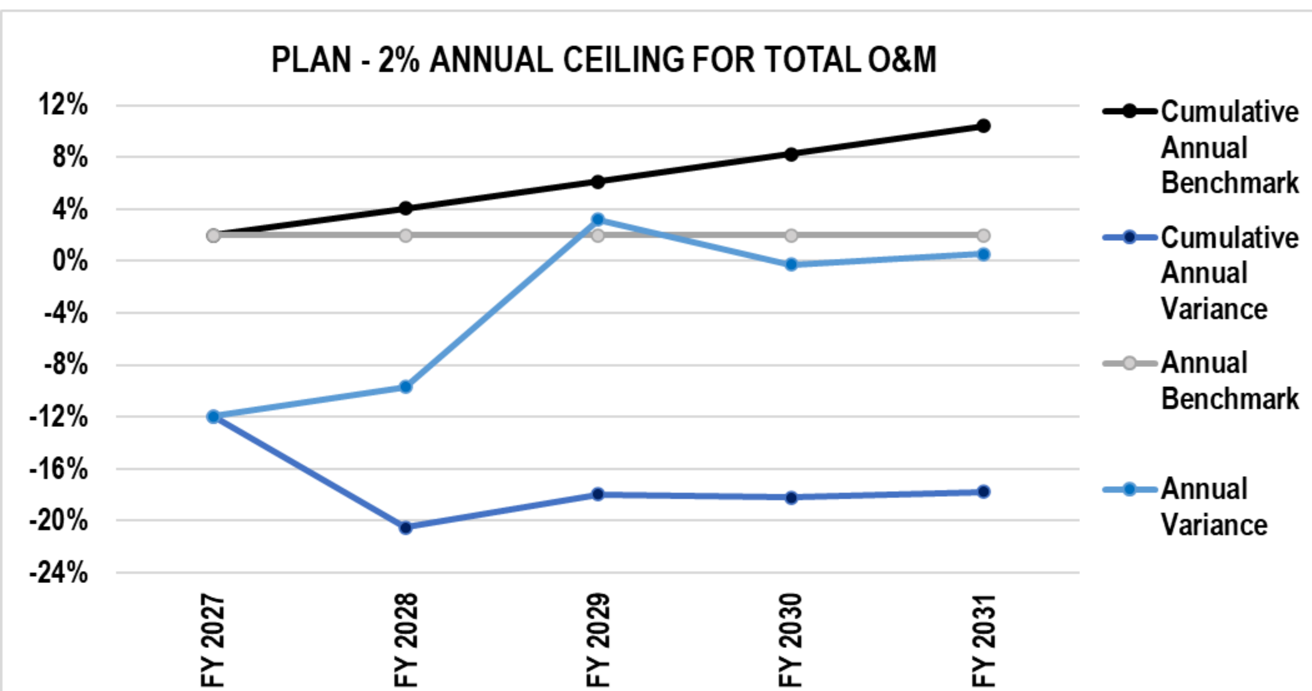
Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.0 Personnel	$ 1,806,497	$ 1,949,400	**$ 2,020,700**	$ 2,207,900	$ 2,415,100	$ 2,419,600	$ 2,424,100
4.2 Supplies & Other	1,113,494	1,024,000	**1,262,200**	1,262,200	1,262,200	1,262,200	1,262,200
4.3 Contractual Services	10,099,126	9,131,700	**7,373,300**	6,151,200	6,251,100	6,220,900	6,268,800
Grand Total	**$ 13,019,117**	**$ 12,105,100**	**$ 10,656,200**	**$ 9,621,300**	**$ 9,928,400**	**$ 9,902,700**	**$ 9,955,100**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Facility Operations Group's financial plan reflects a five-year overall decrease of 17.8%. This is within the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The largest decrease is in FY 2027.



Capital Outlay

Facility Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Machinery & Equipment	$91,800	$93,600	$93,600	$93,600	$93,600	$93,600
Grand Total	$91,800	$93,600	$93,600	$93,600	$93,600	$93,600

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Improvement & Extension	$ -	$ 91,800	$ 93,600	$ 93,600	$ 93,600	$ 93,600	$ 93,600
Grand Total	$ -	$ 91,800	$ 93,600	$ 93,600	$ 93,600	$ 93,600	$ 93,600

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
882421 Facility Operations	$ 13,019,117	$ 12,105,100	$ 10,656,200	$ 9,621,300	$ 9,928,400	$ 9,902,700	$ 9,955,100
2.1 Salaries & Wages	1,281,336	1,384,300	1,441,800	1,576,900	1,725,300	1,725,300	1,725,300
2.3 Overtime	102,490	110,000	98,000	98,000	98,000	98,000	98,000
2.4 Employee Benefits	422,671	455,100	480,900	533,000	591,800	596,300	600,800
4.2 Supplies & Other	1,113,494	1,024,000	1,262,200	1,262,200	1,262,200	1,262,200	1,262,200
Buildings & Ground Repairs & Maintenance	697,734	698,000	845,000	845,000	845,000	845,000	845,000
Capital Outlay less than $5,000	41,619	50,000	50,000	50,000	50,000	50,000	50,000
Employee Uniform Expense	5,807	10,000	10,000	10,000	10,000	10,000	10,000
Inspection and Permit Fees	-	12,000	21,000	21,000	21,000	21,000	21,000
Janitorial	19,033	13,000	13,000	13,000	13,000	13,000	13,000
Memberships, Licenses & Subscriptions	5,092	2,000	3,200	3,200	3,200	3,200	3,200
Mileage and Parking	-	500	500	500	500	500	500
Office Supplies	6,766	8,000	8,000	8,000	8,000	8,000	8,000
Operating Supplies	336,221	225,000	306,000	306,000	306,000	306,000	306,000
Property Taxes	1,058	-	-	-	-	-	-
Training and Internal Meetings	-	2,000	2,000	2,000	2,000	2,000	2,000
Travel	164	2,500	2,500	2,500	2,500	2,500	2,500
Tuition Refund	-	1,000	1,000	1,000	1,000	1,000	1,000
4.3 Contractual Services	10,099,126	9,131,700	7,373,300	6,151,200	6,251,100	6,220,900	6,268,800
Contractual Buildings & Grounds Maint	3,088,307	3,111,500	3,149,300	3,194,400	3,240,400	3,287,200	3,335,100
Contractual Buildings & Grounds Maint-All Water	59,034	-	-	-	-	-	-
Contractual Operating Services	6,951,785	6,020,200	2,772,000	2,824,800	2,878,700	2,933,700	2,933,700
Contractual Operating Services All Sewer	-	-	726,000	66,000	66,000	-	-
Contractual Operating Services All Water	-	-	726,000	66,000	66,000	-	-
Grand Total	$ 13,019,117	$ 12,105,100	$ 10,656,200	$ 9,621,300	$ 9,928,400	$ 9,902,700	$ 9,955,100

Fleet Operations

The Fleet Operations area is responsible for maintaining and managing all vehicles, such as cars, trucks, lifts, vacuum tankers, and other equipment associated with the water and wastewater systems while ensuring vehicles and equipment are properly matched to the job requirements and functioning properly and safely.

Strategic Initiatives

- **Improve vehicle efficiency (Ongoing)**
  Ensure vehicles are properly maintained, functioning properly and safely as well as matched to the job requirements to support GLWA's operational needs.
- **Increase Team member safety (Ongoing)**
  Utilizing metrics provided by the GEOTAB system, team members are made aware of safety factors such as seat belt usage, speed, hard cornering, and aggressive driving. These items are reported out to executive leadership team members monthly.

The table below shows how the fleet operations area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Fleet Operations Strategic Initiatives	Improve Vehicle Efficency		x		x	x	x					
	Increase Team Member Safety		x				x				x	

Fleet Operations Contracts

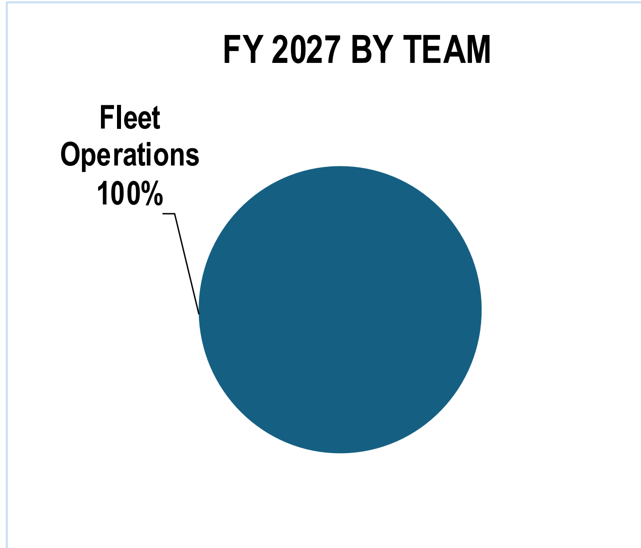
The Fleet Operations budget contains several contractual services to ensure that vehicles are in safe, operable conditions while controlling costs, productivity, and fuel management. The table below includes the key contracts for these services. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process.

Significant Contracts

Project Description	Fleet Maintenance	Furnish Fuel & Diesel Fuel	Fuel System Maintenance	GPS/AVL Tracking	Total of Significant Contracts
Prime Consultant or Supplier	Enterprise Fleet Management	RKA Petroleum, Inc.	Phoenix Environmental Inc	GEOTAB Inc.	
Contract #	N/A	N/A	2201490	2400342	
Workday Contract #	SCN-0000592	MITN contract	SCN-0000082	N/A	
Contract Amount	$ 13,548,000	$ 2,300,000	$ 466,560	$ 100,000	
Contract End Date	02/28/30	01/31/28	12/31/25	07/15/26	
Cost Center Name	Fleet Operations	Fleet Operations	Fleet Operations	Fleet Operations	
Expense Category	Contractual Services	Supplies & Other	Contractual Services	Contractual Services	
Water/Sewer	Combined	Combined	Combined	Combined	
Pre-FY 2025 Spend	$ 3,434,947	$ 3,875,591	$ 1,438,029	$ 400,759	
Pre-FY 2025 Average Spend (*)	$ 793,290	$ 465,257	$ 172,633	$ 100,190	
FY 2025 Spend	947,211	579,044	210,287	90,270	1,826,813
FY 2026 Amended	760,000	700,000	233,000	130,000	1,823,000
FY 2027	**760,000**	**725,000**	**638,000**	**130,000**	**2,253,000**
FY 2028	760,000	735,000	640,000	130,000	2,265,000
FY 2029	760,000	745,000	642,000	130,000	2,277,000
FY 2030	760,000	755,000	644,000	130,000	2,289,000
FY 2031	760,000	765,000	645,800	130,000	2,300,800
Total	**$ 8,942,158**	**$ 8,879,635**	**$ 5,091,117**	**$ 1,271,029**	**$ 24,183,939**

Organization

The Fleet Operations area has one team.

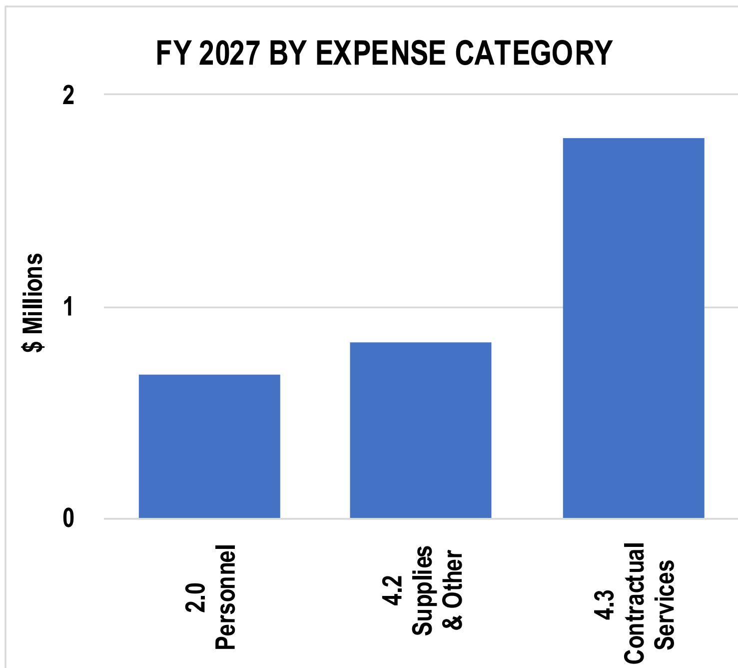


Expense Categories

The three major categories of Fleet Operations expenses in the operations and maintenance budget are:

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services is the largest expense category for Fleet Operations. The level of contractual services reflects the on-going contract with Enterprise Fleet Management, as well as various small contracts implemented for other automotive and equipment maintenance services.



Biennial Budget Request

The biennial budget reflects an increase of $395,600 or 13.6%, in FY 2027. Key Factors that are impacting the increase include the following:

- Personnel decreased by $70,300 primarily due to headcount reduction of a fleet driver.
- Contractual Services increased by $447,900 primarily due to above-the-ground tanks being added to a maintenance contract.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 705,773	$ 759,300	$ 207,360	**$ 682,000**	**$ (77,300)**	**-10.2%**	$ 700,700
4.2 Supplies & Other	701,615	803,500	179,764	**828,500**	**25,000**	**3.1%**	838,500
4.3 Contractual Services	1,737,631	1,344,100	593,930	**1,792,000**	**447,900**	**33.3%**	1,804,000
Grand Total	$ 3,145,019	$ 2,906,900	$ 981,054	**$ 3,302,500**	**$ 395,600**	**13.6%**	$ 3,343,200

Personnel Budget

Fleet Operations personnel consists of six positions for FY 2027.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

Team Member Type	Staffing Plan						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**7.00**	**7.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**
Fleet Operations	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Grand Total	**7.00**	**7.00**	**6.00**	**6.00**	**6.00**	**6.00**	**6.00**

Full-time Equivalents - The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Fleet Operations	6.00	6.25	5.25	5.50	5.75	5.75	5.75
Grand Total	**6.00**	**6.25**	**5.25**	**5.50**	**5.75**	**5.75**	**5.75**

Personnel Budget - The following tables present the Fleet Operations personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 534,123	$ 575,200	$ 158,288	**$ 516,600**	**$ (58,600)**	**-10.2%**	$ 528,500
2.3 Overtime	529	1,000	136	**1,000**	**-**	**0.0%**	1,000
2.4 Employee Benefits	171,121	183,100	48,937	**164,400**	**(18,700)**	**-10.2%**	171,200
Grand Total	**$ 705,773**	**$ 759,300**	**$ 207,360**	**$ 682,000**	**$ (77,300)**	**-10.2%**	**$ 700,700**

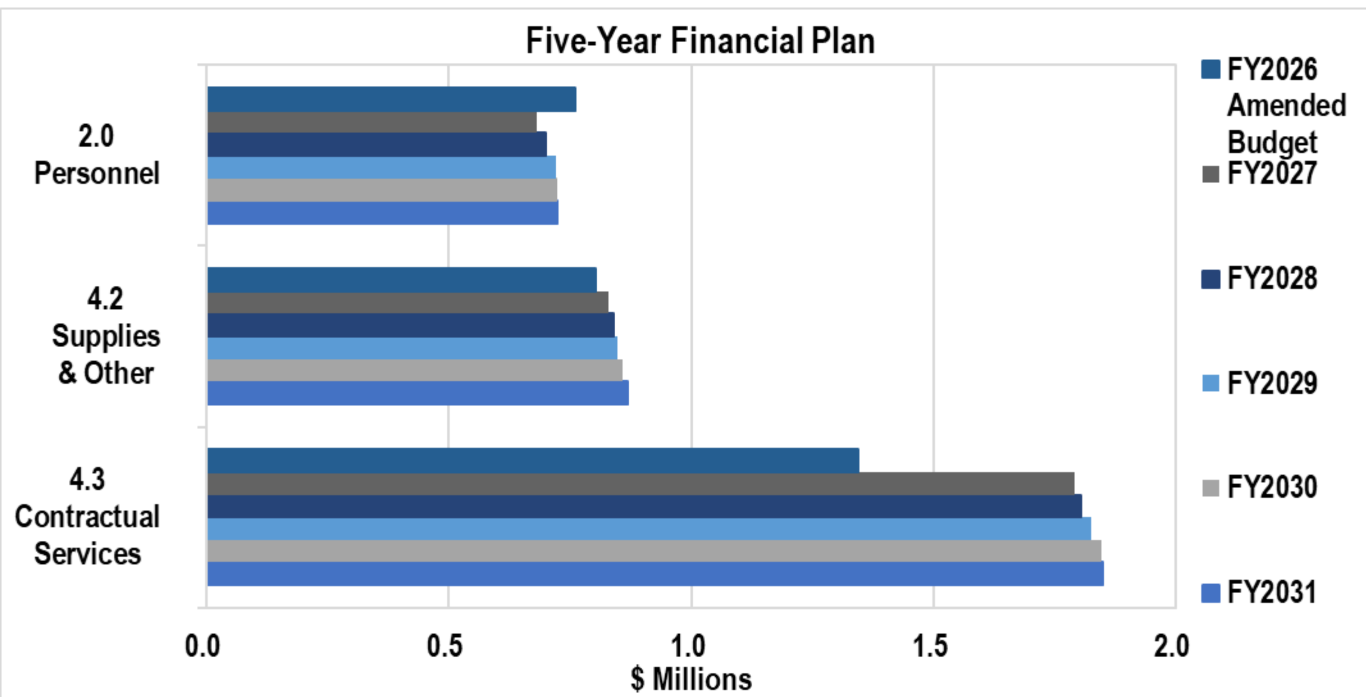
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 534,123	$ 575,200	**$ 516,600**	$ 528,500	$ 540,600	$ 540,600	$ 540,600
2.3 Overtime	529	1,000	**1,000**	1,000	1,000	1,000	1,000
2.4 Employee Benefits	171,121	183,100	**164,400**	171,200	178,100	179,400	180,700
Grand Total	**$ 705,773**	**$ 759,300**	**$ 682,000**	**$ 700,700**	**$ 719,700**	**$ 721,000**	**$ 722,300**

Five-Year Financial Plan

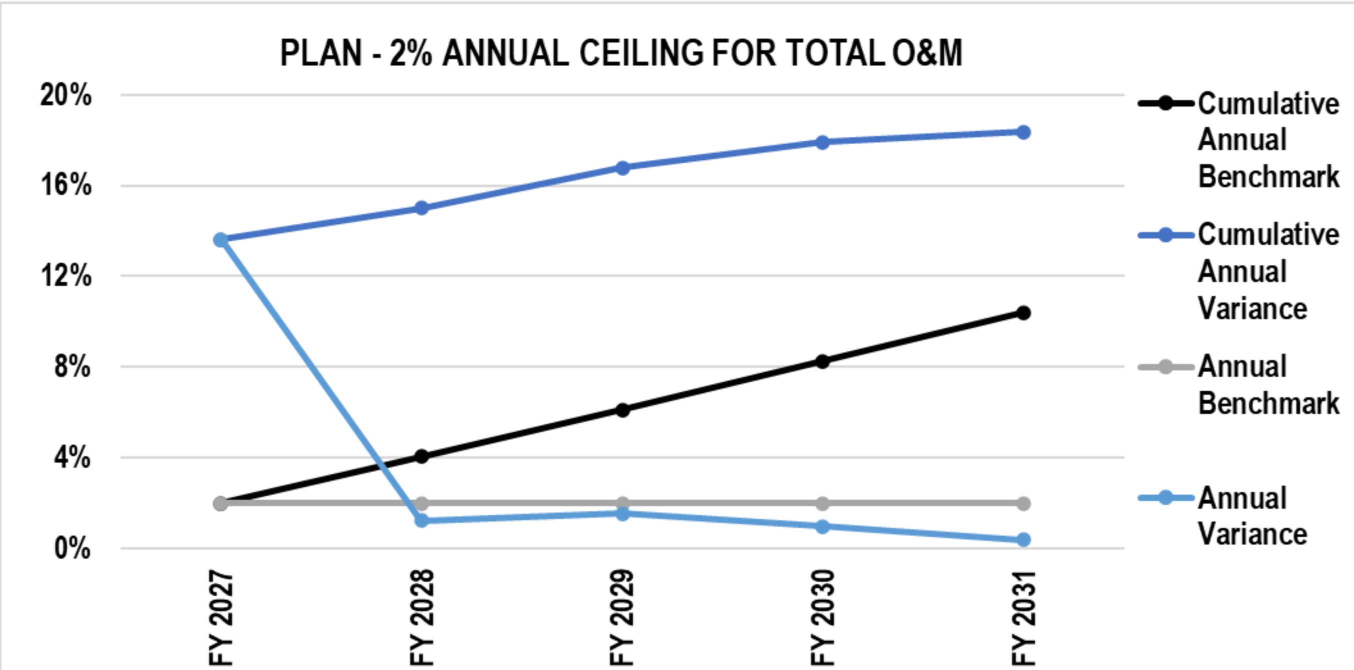
Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.0 Personnel	$ 705,773	$ 759,300	**$ 682,000**	$ 700,700	$ 719,700	$ 721,000	$ 722,300
4.2 Supplies & Other	701,615	803,500	**828,500**	838,500	848,500	858,500	868,500
4.3 Contractual Services	1,737,631	1,344,100	**1,792,000**	1,804,000	1,826,000	1,848,000	1,849,800
Grand Total	**$ 3,145,019**	**$ 2,906,900**	**$ 3,302,500**	**$ 3,343,200**	**$ 3,394,200**	**$ 3,427,500**	**$ 3,440,600**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Fleet Operations Group's financial plan reflects a five-year overall increase of 18.4%, which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment). The largest increase is in FY 2027.



Capital Outlay

Fleet Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Vehicles	**$2,980,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**
Heavy Truck	1,660,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000
Light Truck	480,000	240,000	240,000	240,000	240,000	240,000
Utility Vehicle	360,000	720,000	720,000	720,000	720,000	720,000
Van	480,000	480,000	480,000	480,000	480,000	480,000
Grand Total	**$2,980,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**	**$3,000,000**

Five-Year Capital Outlay Plan by Funding Source

Fuding Source	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	$ 2,328,067	$ 2,980,000	**$ 3,000,000**	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000
Grand Total	**$ 2,328,067**	**$ 2,980,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**	**$ 3,000,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
882422 Fleet Operations	**$ 3,145,019**	**$ 2,906,900**	**$ 3,302,500**	**$ 3,343,200**	**$ 3,394,200**	**$ 3,427,500**	**$ 3,440,600**
2.1 Salaries & Wages	**534,123**	**575,200**	**516,600**	**528,500**	**540,600**	**540,600**	**540,600**
2.3 Overtime	**529**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
2.4 Employee Benefits	**171,121**	**183,100**	**164,400**	**171,200**	**178,100**	**179,400**	**180,700**
4.2 Supplies & Other	**701,615**	**803,500**	**828,500**	**838,500**	**848,500**	**858,500**	**868,500**
Automotive Operating Supplies	4,943	11,000	**11,000**	11,000	11,000	11,000	11,000
Automotive Repairs & Maintenance	25,580	-	**-**	-	-	-	-
Capital Outlay less than $5,000	14,231	-	**-**	-	-	-	-
Employee Uniform Expense	2,638	4,000	**4,000**	4,000	4,000	4,000	4,000
Equipment Repairs & Maintenance	4,891	-	**-**	-	-	-	-
Fuel	617,821	725,000	**750,000**	760,000	770,000	780,000	790,000
Inspection and Permit Fees	895	1,500	**1,500**	1,500	1,500	1,500	1,500
Inspection and Permit Fees-All Water	56	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	14,850	2,000	**2,000**	2,000	2,000	2,000	2,000
Miscellaneous Expense	725	-	**-**	-	-	-	-
Office Supplies	1,246	2,000	**2,000**	2,000	2,000	2,000	2,000
Operating Supplies	10,732	50,000	**50,000**	50,000	50,000	50,000	50,000
Postage	35	-	**-**	-	-	-	-
Training and Internal Meetings	1,845	3,000	**3,000**	3,000	3,000	3,000	3,000
Travel	1,127	5,000	**5,000**	5,000	5,000	5,000	5,000
4.3 Contractual Services	**1,737,631**	**1,344,100**	**1,792,000**	**1,804,000**	**1,826,000**	**1,848,000**	**1,849,800**
Contractual Operating Services	1,578,479	1,194,100	**1,642,000**	1,654,000	1,676,000	1,698,000	1,699,800
Contractual Operating Services All Water	199	-	**-**	-	-	-	-
Contractual Vehicle Services	158,953	150,000	**150,000**	150,000	150,000	150,000	150,000
Grand Total	**$ 3,145,019**	**$ 2,906,900**	**$ 3,302,500**	**$ 3,343,200**	**$ 3,394,200**	**$ 3,427,500**	**$ 3,440,600**

Field Service Operations

The Field Service Operations area is responsible for ensuring reliable transmission of water. Field Service Operations maintains almost 800 miles of transmission main and 19 booster pump stations, as well as all associated equipment, such as valves, gates, pumps, and siphons. In addition, Field Services Operations manages the MISS DIG utility location requirements for GLWA and clears all construction crossings of GLWA infrastructure.

Beginning in FY 2025 and finalizing in FY 2026, the responsibilities of sewer interceptors and sanitary lift stations were transferred to the Wastewater Operations team.

Strategic Initiatives

- **Valve Condition Assessment Program (Ongoing)**
  - Continue valve assessment and replacement program to improve service reliability.
  - KPI's are reported out monthly on the number of valves exercised and functioning.
- **Transmission Main Assessment & Rehabilitation (Ongoing)**
  Continue to develop and optimize assessment and decommissioning programs.

The table below shows how the field service operations area strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Field Service Operations Strategic Initiatives	Valve Condition Assesment Program			x	x	x	x	x	x			x
	Transmission Main Assesment & Rehabilitation			x	x	x	x	x	x	x		x

Field Service Operations Contracts

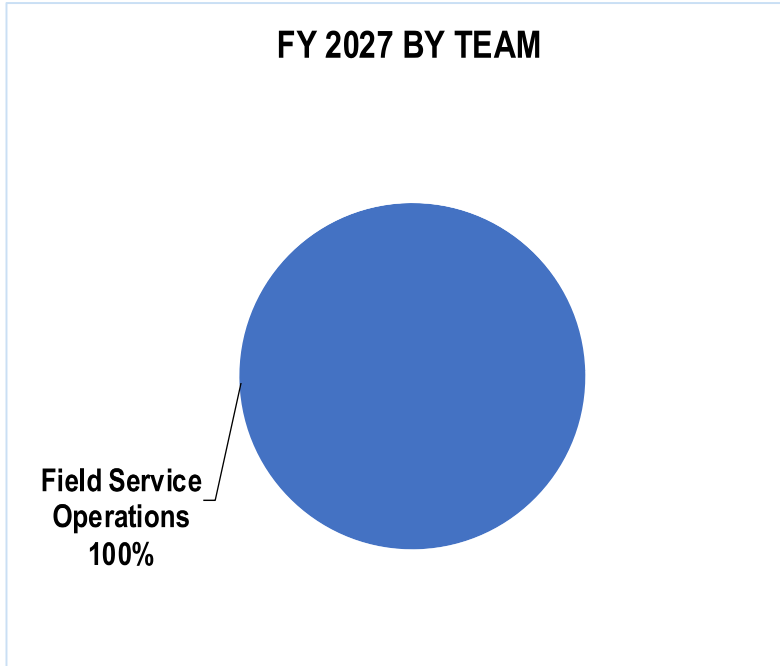
The Field Service Operations budget contains several contractual services to assess the current condition of water transmission mains, repair sewers, installation, or to maintain equipment and systems. The table below details the key contracts for these services. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process.

Significant Contracts

Project Description	Water Transmission Main Repair	Water Transmission Main Repair	Specialized Services (contract split w/ Systems Control)	Ovation Upgrade Contract	Total of Significant Contracts
Prime Consultant or Supplier	Ric-Man Construction Inc.	Lakeshore Global Corp	Lakeshore Global Corp	Emerson Process Management	
Contract #	2301148	2003730	N/A	2101167	
Workday Contract #	SCN-0000488	SCN-0000386	SCN-0000550	SCN-0000347	
Contract Amount	$ 6,500,000	$ 27,000,000	$ 8,034,809	$ 6,855,868	
Contract End Date	08/22/29	10/08/26	01/31/27	03/12/26	
Cost Center Name	Field Service Operations	Field Service Operations	Field Service Operations	Field Service Operations	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Water/Sewer	Water	Water	Water	Combined	
Pre-FY 2025 Spend	$ 5,360,425	$ 14,874,350	$ 15,866,139	$ 2,116,824	
Pre-FY 2025 Average Spend (*)	$ 691,668	$ 2,586,843	$ 2,644,356	$ 940,811	
FY 2025 Spend	816,934	1,652,544	4,079,567	-	6,549,046
FY 2026 Amended	1,400,000	1,400,000	2,094,400	816,390	5,710,790
FY 2027	**1,400,000**	**1,400,000**	**2,153,000**	**-**	**4,953,000**
FY 2028	1,450,000	1,450,000	2,196,100	-	5,096,100
FY 2029	1,475,000	1,475,000	2,240,000	-	5,190,000
FY 2030	1,500,000	1,500,000	2,284,900	-	5,284,900
FY 2031	1,525,000	1,525,000	2,330,500	-	5,380,500
Total	**$ 14,927,360**	**$ 25,276,894**	**$ 33,244,606**	**$ 2,933,214**	**$ 76,382,074**

Organization

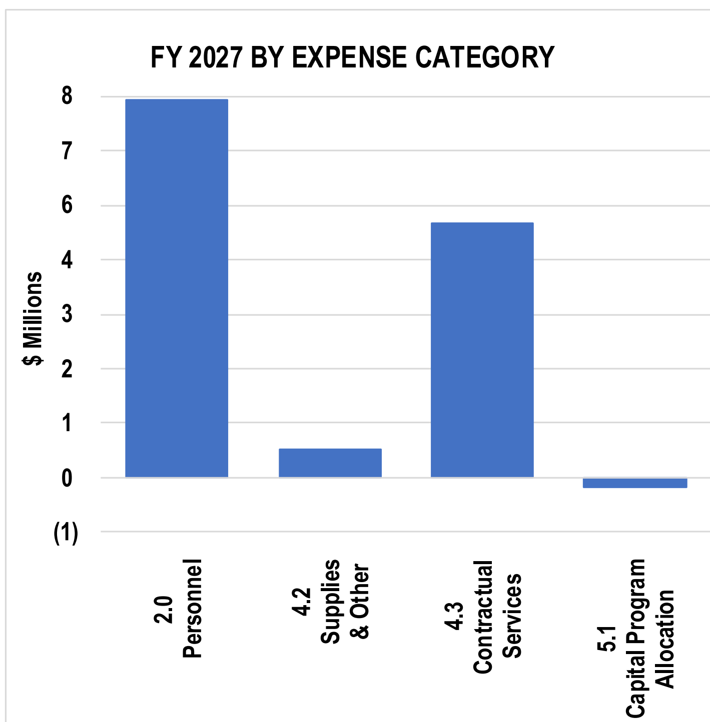
The Field Services Operations area has one team.



Expense Categories

The two major expense categories of Field Service Operations expenses in the operations and maintenance budget are:

- Personnel
- Contractual Services



Personnel is the largest expense in the Field Service Operations budget. Staff perform a variety of skilled field work relative to the operations and maintenance of water systems.

Contractual Services is the second largest expense category for Field Service Operations. The level of contractual services supports the complex nature of the water transmission system. It also reflects the decision to contract for certain non-core services as well as the efficient management of peak workload activities.

Biennial Budget Request

The biennial budget reflects an overall decrease of $0.6 million, or 4.1% for FY 2027. The decrease in the budget in FY 2026 was due to the transfer to Wastewater Operations of the sewer linear asset maintenance, controls maintenance and sewer integrity program. Key factors impacting FY 2027 include the following:

- Contractual Services decreased by $0.8 million primarily due to the shifting of responsibilities for water plants to the Water Operations area.
- Personnel costs increased by $191,000 due to increased headcounts.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 7,262,486	$ 7,423,300	$ 2,011,027	**$ 7,615,200**	**$ 191,900**	**2.6%**	$ 7,819,000
4.2 Supplies & Other	3,452,683	567,600	60,506	**567,600**	**-**	**0.0%**	567,600
4.3 Contractual Services	10,799,447	5,893,300	4,114,226	**5,139,100**	**(754,200)**	**-12.8%**	5,285,800
5.1 Capital Program Allocation	(191,707)	(212,200)	(78,254)	**(205,600)**	**6,600**	**-3.1%**	(206,000)
Grand Total	**$ 21,322,909**	**$ 13,672,000**	**$ 6,107,505**	**$ 13,116,300**	**$ (555,700)**	**-4.1%**	**$ 13,466,400**

Personnel Budget

Field Service Operations personnel consists of 70 positions for FY 2027. The staffing plan is increased from FY 2026 due to an addition of one Team Leader and one Field Services Technician position. Field Service Operations is largely comprised of operations staffing that perform a variety of skilled field work relative to the operations and maintenance of the water system. This staffing plan includes one apprentice position and additional support for the appropriate evaluation of decommissioning transmission mains. The apprenticeship position shows GLWA's commitment to developing its workforce and sustaining it for the future.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

	Staffing Plan						
Team Member Type	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**70.00**	**67.00**	**69.00**	**69.00**	**69.00**	**69.00**	**69.00**
Field Service Operations	70.00	67.00	69.00	69.00	69.00	69.00	69.00
Apprentice	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Field Service Operations	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Grand Total	**71.00**	**68.00**	**70.00**	**70.00**	**70.00**	**70.00**	**70.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

Operating Area and Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Field Service Operations	68.00	63.50	63.25	65.50	67.50	67.50	67.50
Grand Total	**68.00**	**63.50**	**63.25**	**65.50**	**67.50**	**67.50**	**67.50**

Personnel Budget - The following tables present the Field Service Operations personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2025	FY 2026		FY 2027			FY 2028
	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 4,271,062	$ 4,400,700	$ 1,268,623	**$ 4,998,100**	**$ 597,400**	**13.6%**	$ 5,123,300
2.2 Workforce Development	454,212	500,300	-	**8,800**	**(491,500)**	**-98.2%**	17,600
2.3 Overtime	779,027	772,500	241,254	**788,000**	**15,500**	**2.0%**	788,000
2.4 Employee Benefits	1,758,185	1,749,800	501,149	**1,820,300**	**70,500**	**4.0%**	1,890,100
Grand Total	**$ 7,262,486**	**$ 7,423,300**	**$ 2,011,027**	**$ 7,615,200**	**$ 191,900**	**2.6%**	**$ 7,819,000**

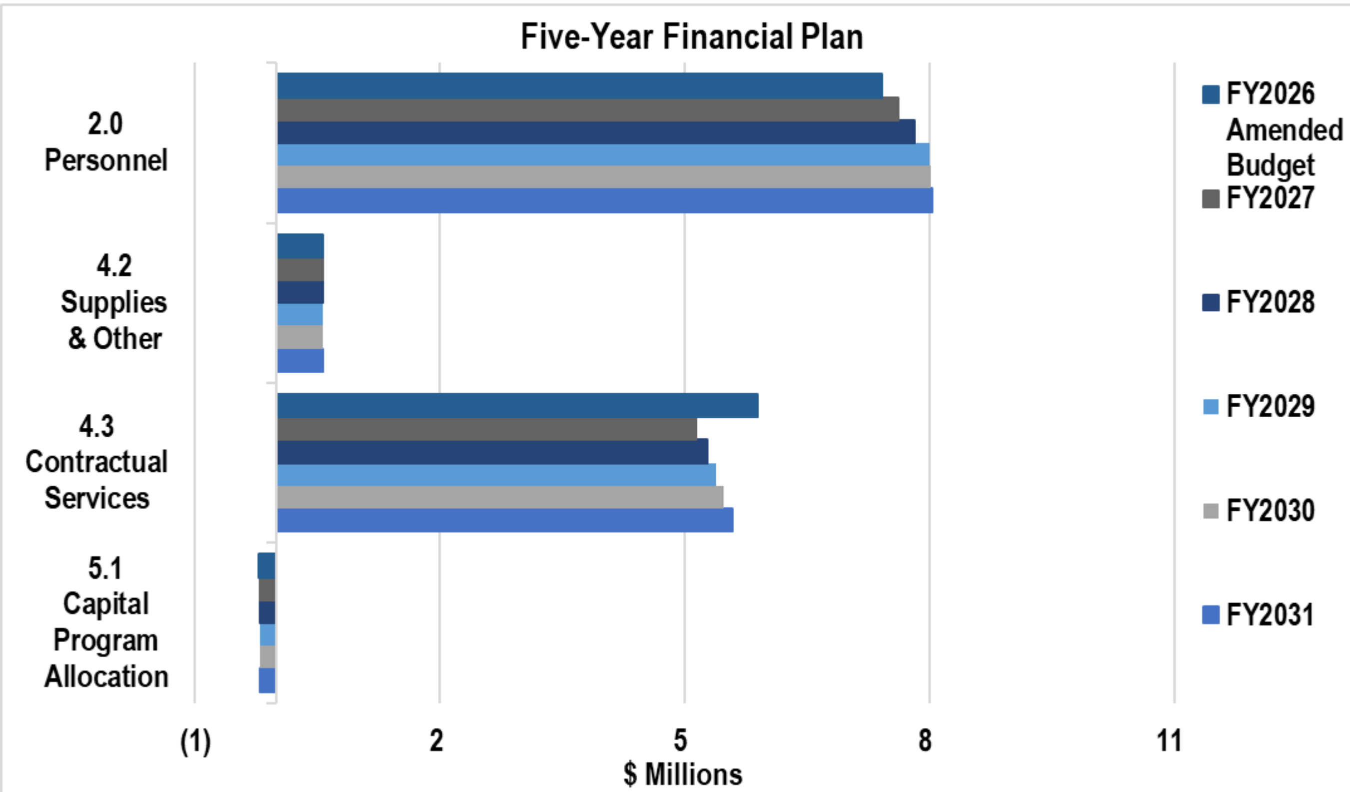
Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 4,271,062	$ 4,400,700	**$ 4,998,100**	$ 5,123,300	$ 5,237,000	$ 5,237,000	$ 5,237,000
2.2 Workforce Development	454,212	500,300	**8,800**	17,600	26,300	26,300	26,300
2.3 Overtime	779,027	772,500	**788,000**	788,000	783,700	783,700	783,700
2.4 Employee Benefits	1,758,185	1,749,800	**1,820,300**	1,890,100	1,954,900	1,970,500	1,986,000
Grand Total	**$ 7,262,486**	**$ 7,423,300**	**$ 7,615,200**	**$ 7,819,000**	**$ 8,001,900**	**$ 8,017,500**	**$ 8,033,000**

Five Year Financial Plan

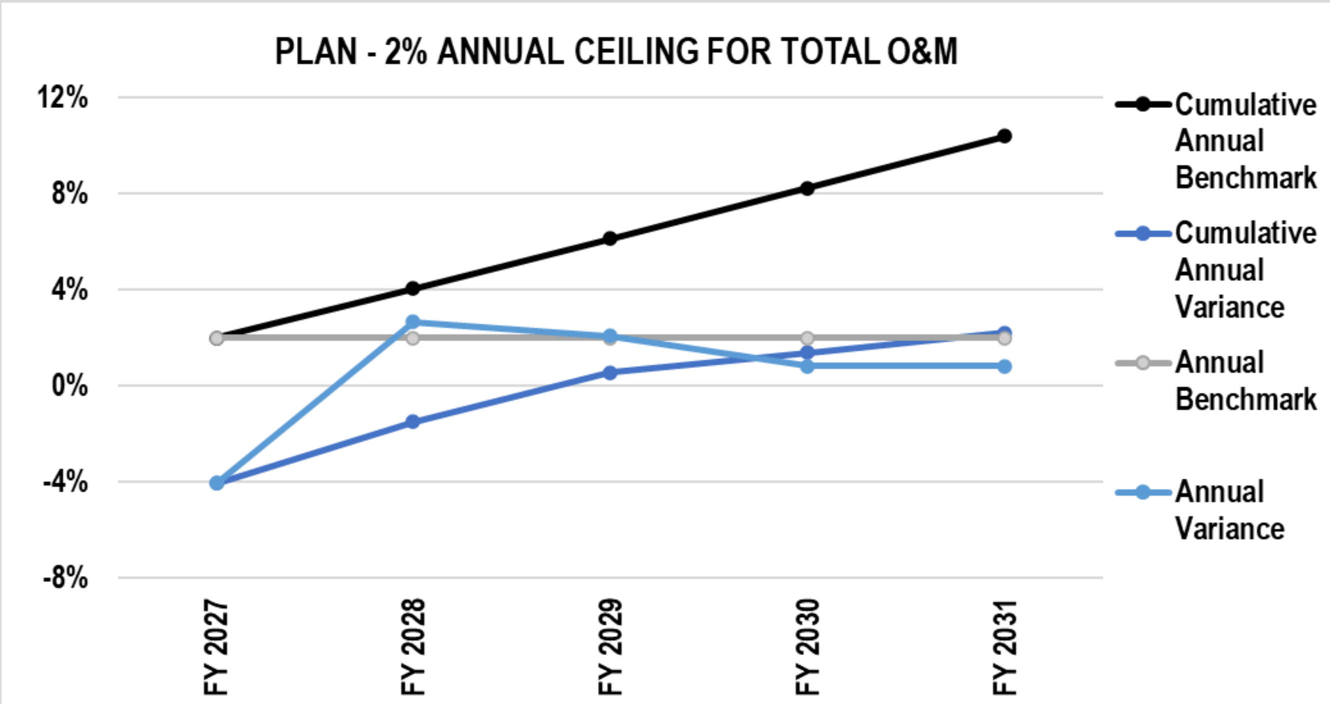
Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 7,262,486	$ 7,423,300	**$ 7,615,200**	$ 7,819,000	$ 8,001,900	$ 8,017,500	$ 8,033,000
4.2 Supplies & Other	3,452,683	567,600	**567,600**	567,600	567,600	567,600	567,600
4.3 Contractual Services	10,799,447	5,893,300	**5,139,100**	5,285,800	5,383,500	5,482,200	5,581,700
5.1 Capital Program Allocation	(191,707)	(212,200)	**(205,600)**	(206,000)	(206,400)	(206,800)	(207,200)
Grand Total	**$ 21,322,909**	**$ 13,672,000**	**$ 13,116,300**	**$ 13,466,400**	**$ 13,746,600**	**$ 13,860,500**	**$ 13,975,100**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Field Service Operations Group's financial plan reflects a five-year overall increase of 2.2% which is well below the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Field Service Operations five-year capital outlay is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Machinery & Equipment	**$2,496,200**	**$175,000**	**$175,000**	**$185,000**	**$185,000**	**$185,000**
Controls and Communication	2,196,200	-	-	-	-	-
Furniture & Fixtures	50,000	30,000	30,000	30,000	30,000	30,000
Pipes, Gates and Valves	250,000					
Tools, Shop & Warehouse	-	145,000	145,000	155,000	155,000	155,000
Projects & Programs	**20,000**	**-**	**-**	**-**	**-**	**-**
Grand Total	**$2,516,200**	**$175,000**	**$175,000**	**$185,000**	**$185,000**	**$185,000**

Five-Year Capital Outlay Plan by Funding Source

	Actual	Amended Budget	Proposed Budget		Projected		
Fuding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	$ 381,024	$ 2,516,200	**$ 175,000**	$ 175,000	$ 185,000	$ 185,000	$ 185,000
Grand Total	**$ 745,919**	**$ 2,516,200**	**$ 175,000**	**$ 175,000**	**$ 185,000**	**$ 185,000**	**$ 185,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. Because many of GLWA's initiatives expand multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
882431 Field Service Operations	**$ 21,322,909**	**$ 13,672,000**	**$ 13,116,300**	**$ 13,466,400**	**$ 13,746,600**	**$ 13,860,500**	**$ 13,975,100**
2.1 Salaries & Wages	**4,271,062**	**4,400,700**	**4,998,100**	**5,123,300**	**5,237,000**	**5,237,000**	**5,237,000**
2.2 Workforce Development	**454,212**	**500,300**	**8,800**	**17,600**	**26,300**	**26,300**	**26,300**
2.3 Overtime	**779,027**	**772,500**	**788,000**	**788,000**	**783,700**	**783,700**	**783,700**
2.4 Employee Benefits	**1,758,185**	**1,749,800**	**1,820,300**	**1,890,100**	**1,954,900**	**1,970,500**	**1,986,000**
4.2 Supplies & Other	**3,452,683**	**567,600**	**567,600**	**567,600**	**567,600**	**567,600**	**567,600**
Capital Outlay less than $5,000	44,463	65,000	65,000	65,000	65,000	65,000	65,000
Employee Uniform Expense	35,575	40,000	40,000	40,000	40,000	40,000	40,000
Equipment Repairs & Maintenance	14,216	-	-	-	-	-	-
Inspection and Permit Fees	28,027	32,000	32,000	32,000	32,000	32,000	32,000
Janitorial	522	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	98,478	63,100	63,100	63,100	63,100	63,100	63,100
Mileage and Parking	1,609	500	500	500	500	500	500
Office Supplies	12,498	17,000	17,000	17,000	17,000	17,000	17,000
Operating Supplies	175,342	273,500	273,500	273,500	273,500	273,500	273,500
Training and Internal Meetings	33,768	55,000	55,000	55,000	55,000	55,000	55,000
Travel	7,753	20,000	20,000	20,000	20,000	20,000	20,000
Tuition Refund	100	1,500	1,500	1,500	1,500	1,500	1,500
Uniforms, Laundry, Cleaning	332	-	-	-	-	-	-
Damage Claims - All Water	3,000,000	-	-	-	-	-	-
4.3 Contractual Services	**10,799,447**	**5,893,300**	**5,139,100**	**5,285,800**	**5,383,500**	**5,482,200**	**5,581,700**
Contractual Operating Services	2,465,316	998,900	2,500	2,500	2,500	2,500	2,500
Contractual Operating Services All Sewer	1,877,710	-	-	-	-	-	-
Contractual Operating Services All Water	4,517,970	4,894,400	3,614,900	3,731,200	3,797,800	3,864,800	3,932,100
Contractual Professional Services	1,089,823	-	-	-	-	-	-
Contractual Professional Services All Water	848,628	-	1,521,700	1,552,100	1,583,200	1,614,900	1,647,100
5.1 Capital Program Allocation	**(191,707)**	**(212,200)**	**(205,600)**	**(206,000)**	**(206,400)**	**(206,800)**	**(207,200)**
Capital Program: Employee Benefits	(51,929)	(53,000)	(48,900)	(49,300)	(49,700)	(50,100)	(50,500)
Capital Program: Salaries & Wages-Direct	(139,778)	(159,200)	(156,700)	(156,700)	(156,700)	(156,700)	(156,700)
Grand Total	**$ 21,322,909**	**$ 13,672,000**	**$ 13,116,300**	**$ 13,466,400**	**$ 13,746,600**	**$ 13,860,500**	**$ 13,975,100**

Energy, Research & Innovation

The mission of the Energy, Research, and Innovation (ERI) team is to improve operational efficiency, optimize the value of our assets, and help identify, evaluate and mitigate future risks such as emerging contaminants and pathogens, asset failure, and climate change.

The ERI team has three areas of primary focus: energy, research, and innovation. Energy-focused efforts address the technology and processes needed to assess, evaluate, and improve energy use and energy efficiency across our systems. Implement and lead research efforts that involve small, but focused, projects addressing complex emerging operational and engineering issues relevant to GLWA operations. Finally, overseeing innovation related efforts that address the assessment and piloting of new and emerging technologies as well as improving the collaborative exchange of ideas between GLWA team members, member partners, and other utilities and vendors.

Strategic Initiatives

- **Pursue Research of Treatment & Monitoring (Ongoing)**
    - Treatment techniques for emerging contaminates of concern (such as PFAS and microplastics)
    - Innovative monitoring tools for microbial and chemical measurement and tracking
    - Development and validation of pipeline condition assessment, evaluation, and renewal technologies
    - Biosolids treatment, waste to energy, treatment of pollutants
    - Management of phosphorus and solids loading at the WRRF
- **Research: Emerging Risks**
    - Treatment techniques for emerging contaminates of concern (such as PFAS and microplastics)
    - Resiliency of electrical supplies
    - Climate-driven aspects such as extreme wind and rainfall events
- **Research: Asset Condition Assessment and Renewal**
    - Development and validation of pipeline condition assessment, evaluation, and renewal technologies
    - Improved statistical methods

The table below shows how the energy, research and innovation area strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Energy, Research & Innovation Strategic Initiatives	Research: Treatment & Monitoring		x	x	x	x	x	x	x	x		x
	Research: Emerging Risks		x	x	x	x			x	x		
	Research: Asset Condition Assessment and Renewal		x		x	x	x	x		x		x

Energy, Research & Innovation Contracts

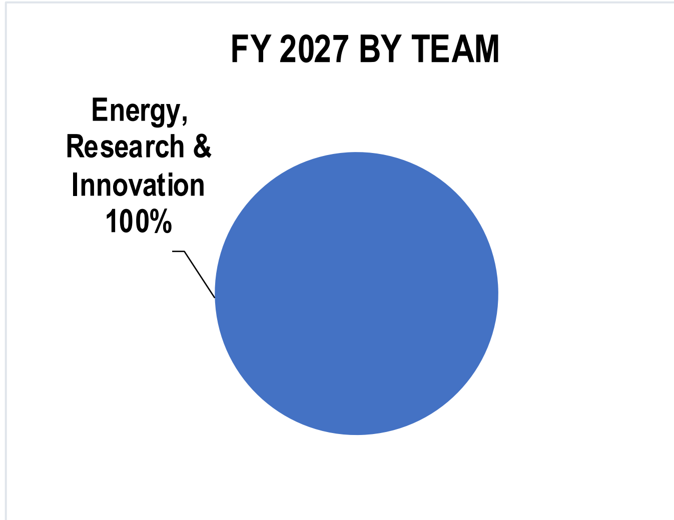
The Energy, Research & Innovation budget contains several contractual services to assess the current innovation environment. Programs are tailored to organizational expectations and resources of GLWA. The following table shows some of the contracts for these services. Budgeted amounts beyond contract date are estimates for future study updates or subsequent implementation of a program. These services would generally require a separate procurement process.

Significant Contracts

Project Description	Assisting Optimizing WRRF Performance	Development of WRRF Simulation Tool	Distribution System Asssessment and Renewal	Drinking Water Contaminant Prioritization Framework	Surveillance of Detroit Wastewater for Disease	Pilot Plant Research and Collaboration Services	Pipe Managment Program	Spatial Rainfall Analysis	Total of Significant Contracts
Prime Consultant or Supplier	Regents of the University of Michigan	Regents of the University of Michigan	Regents of the University of Michigan	Michigan State University	Michigan State University	Wayne State University	Wayne State University	University of Wisconsin	
Contract #	2203703	2300721	2102864	2203501	2301009	2104064	2303476	2202732	
Contract Amount	$ 280,000	$ 497,919	$ 723,600	$ 519,254	$ 295,199	$ 719,114	$ 481,234	$ 346,751	
Contract End Date	06/01/27	08/31/27	06/30/26	01/31/27	12/30/26	02/28/26	06/30/26	07/13/26	
Cost Center Name	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	Energy, Research & Innovation	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2025 Spend	$ 72,000	$ 95,900	$ 361,100	$ 142,800	$ 102,200	$ 354,100	$ 31,200	$ 75,800	
Pre-FY 2025 Average Spend (*)	10,300	13,700	51,600	20,400	17,000	50,600	4,500	10,829	
FY 2025 Spend	60,500	128,400	70,000	138,400	141,200	297,300	181,100	75,200	$ 1,092,100
FY 2026 Amended	62,000	122,000	122,500	127,500	145,000	135,000	150,000	116,000	$ 980,000
FY 2027	**75,000**	**135,000**	**142,000**	**175,000**	**85,000**	**160,000**	**160,000**	**120,000**	**$ 1,052,000**
FY 2028	75,000	140,000	140,000	150,000	-	140,000	160,000	75,000	$ 880,000
FY 2029	75,000	140,000	140,000	-	-	140,000	160,000	-	$ 655,000
FY 2030	75,000	140,000	140,000	-	-	140,000	160,000	-	$ 655,000
FY 2031	75,000	140,000	140,000	-	-	140,000	160,000	-	$ 655,000
Total	**$ 579,800**	**$ 1,055,000**	**$ 1,255,600**	**$ 733,700**	**$ 490,400**	**$ 1,506,400**	**$ 1,166,800**	**$ 472,829**	**$ 5,969,100**

Organization

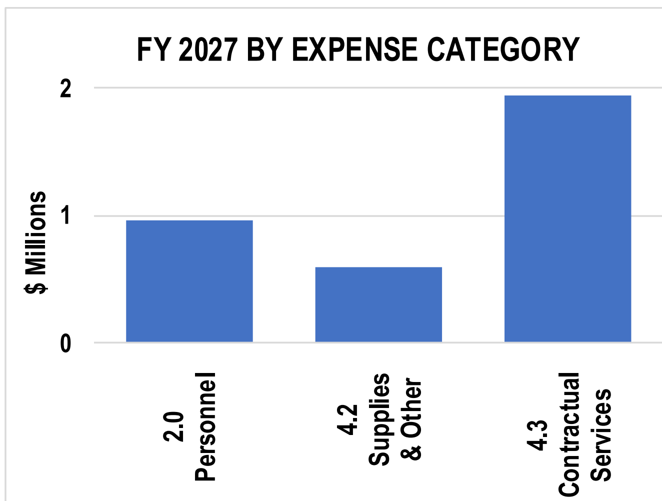
The Energy, Research & Innovation area has one team.



Expense Categories

The two major categories of the Energy, Research & Innovation operations and maintenance budget are:

- ❖ Contractual Services
- ❖ Personnel



Contractual Services represent the largest expense category for Energy, Research & Innovation. The level of contractual services reflects the decision to contract for services that will help to accomplish the following:

- ❖ Implement conservation measures
- ❖ Monitor energy consumption
- ❖ Assess business decisions for sustainability
- ❖ Coordinate research efforts to enhance operational efficiency and resiliency
- ❖ Identify and implement the latest advancements in managing water quality

The Energy Research & Innovation Team manages several widely disbursed projects and studies and is hence, very labor intensive. As expected, personnel costs are second largest expense category. We plan to fill as many of these positions with lower cost part-time intern labor as possible.

Biennial Budget Request

The biennial budget reflects an increase of $366,700 or 12.4% for FY 2027 based on the key factors listed below:

- Increase in Personnel cost of $24,800 due to increase in internship positions and growth of the internship program.
- Contractual Services increased $359,200 based on the current open projects.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 795,452	$ 942,900	$ 251,412	$ 967,500	$ 24,600	2.6%	$ 1,016,400
4.2 Supplies & Other	520,069	586,100	138,213	589,000	2,900	0.5%	589,000
4.3 Contractual Services	1,888,706	1,584,000	475,921	1,943,200	359,200	22.7%	2,295,000
Grand Total	$ 3,204,227	$ 3,113,000	$ 865,547	$ 3,499,700	$ 386,700	12.4%	$ 3,900,400

Personnel Budget

Energy, Research & Innovation personnel consist of sixteen positions for FY 2027. The organization utilizes undergraduate and graduate interns to staff positions with varied technical requirements. The regular staffing level remains the same as last year. The increase is for interns.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan							
Team	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan	FY 2029 Staffing Plan	FY 2030 Staffing Plan	FY 2031 Staffing Plan
Regular	**9.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Energy, Research & Innovation	9.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Intern	**-**	**-**	**8.00**	**11.00**	**11.00**	**11.00**	**11.00**	**11.00**
Energy, Research & Innovation	-	-	-	11.00	11.00	11.00	11.00	11.00
Grand Total	**9.00**	**5.00**	**13.00**	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (includes interns)

	Full Time Equivalents (FTE's)							
Team	FY 2024 Staffing Plan	FY 2025 Staffing Plan	FY 2026 Staffing Plan	FY 2027 Staffing Plan	FY 2028 Staffing Plan	FY 2029 Staffing Plan	FY 2030 Staffing Plan	FY 2031 Staffing Plan
Energy, Research & Innovation	7.50	5.00	11.50	11.25	12.50	15.00	15.00	15.00
Grand Total	**7.50**	**5.00**	**11.50**	**11.25**	**12.50**	**15.00**	**15.00**	**15.00**

Personnel Budget - The following tables present the Energy, Research and Innovation personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 517,233	$ 527,900	$ 162,351	**$ 559,300**	**$ 31,400**	**5.9%**	$ 559,300
2.2 Workforce Development	90,356	262,800	43,711	**239,600**	**(23,200)**	**-8.8%**	287,400
2.3 Overtime	328	-	-	**-**	**-**	**0.0%**	-
2.4 Employee Benefits	187,535	152,200	45,350	**168,600**	**16,400**	**11%**	169,700
Grand Total	**$ 795,452**	**$ 942,900**	**$ 251,412**	**$ 967,500**	**$ 24,600**	**2.6%**	**$ 1,016,400**

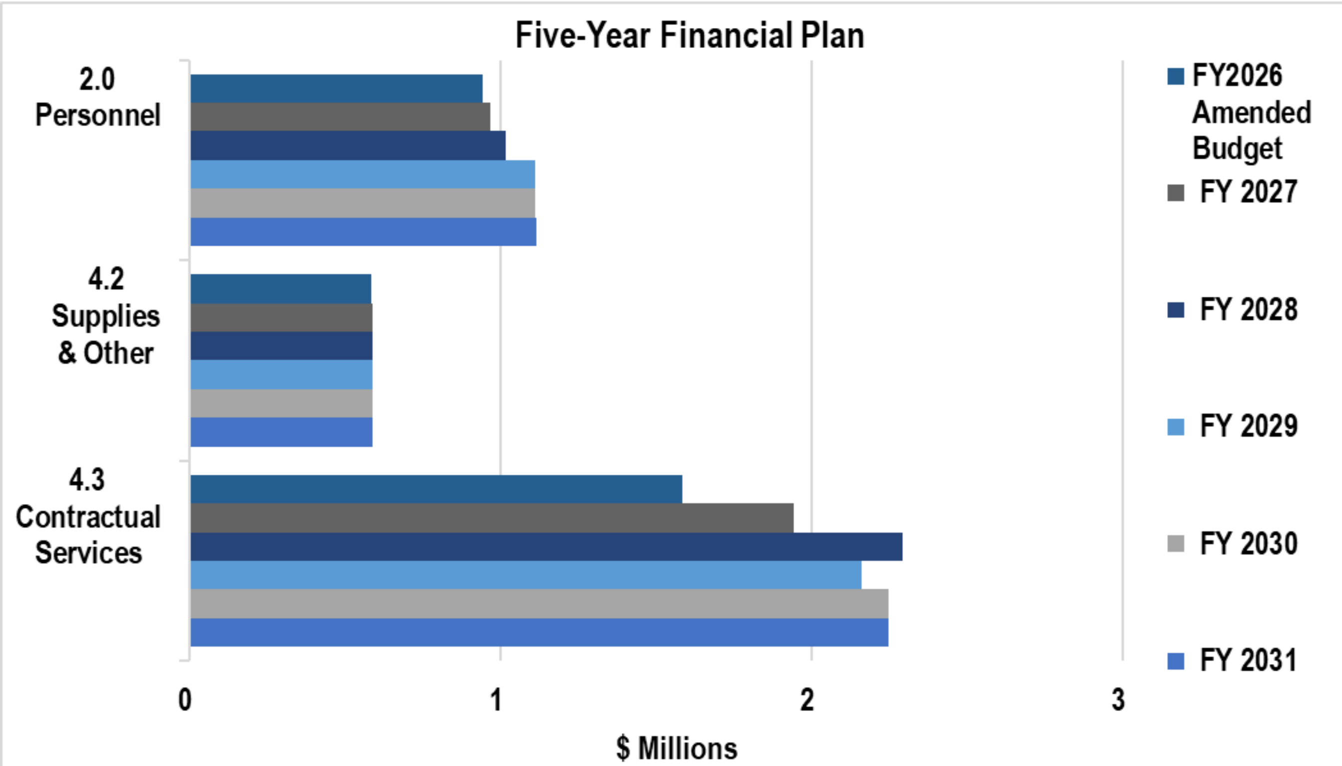
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 517,233	$ 527,900	**$ 559,300**	$ 559,300	$ 559,300	$ 559,300	$ 559,300
2.2 Workforce Development	90,356	262,800	**239,600**	287,400	383,000	383,000	383,000
2.3 Overtime	328	-	**-**	-	-	-	-
2.4 Employee Benefits	187,535	152,200	**168,600**	169,700	170,900	172,000	173,200
Grand Total	**$ 795,452**	**$ 942,900**	**$ 967,500**	**$ 1,016,400**	**$ 1,113,200**	**$ 1,114,300**	**$ 1,115,500**

Five-Year Financial Plan

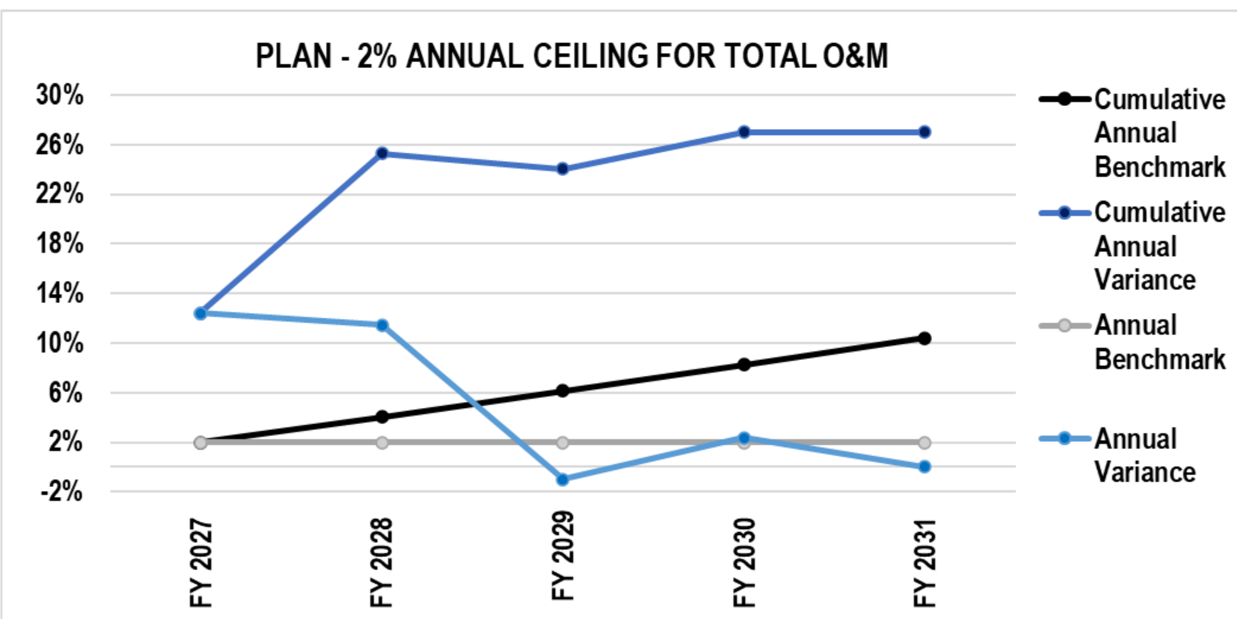
Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.0 Personnel	$ 795,452	$ 942,900	**$ 967,500**	$ 1,016,400	$ 1,113,200	$ 1,114,300	$ 1,115,500
4.2 Supplies & Other	520,069	586,100	**589,000**	589,000	589,000	589,000	589,000
4.3 Contractual Services	1,888,706	1,584,000	**1,943,200**	2,295,000	2,160,000	2,250,000	2,250,000
Grand Total	**$ 3,204,227**	**$ 3,113,000**	**$ 3,499,700**	**$ 3,900,400**	**$ 3,862,200**	**$ 3,953,300**	**$ 3,954,500**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Energy, Research & Innovation Group's financial plan reflects a five-year overall increase of 27.0% primarily due to increased budget in contractual services for future projects, which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Energy, Research & Innovations five-year capital outlay plan is funded by the Improvement & Extension (I&E) budget.

Five-Year Capital Outlay Plan by Asset Category

	Actual	Amended Budget	Proposed Budget		Projected		
Asset Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Meters, Shop Equipment, Tools	$ 34,521	$ 50,000	**$ 50,000**	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Grand Total	**$ 34,521**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

Five-Year Capital Outlay Plan by Funding Source

	Actual	Amended Budget	Proposed Budget		Projected		
Funding Source	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Improvement & Extension	$ 34,521	$ 50,000	**$ 50,000**	$ 50,000	$ 50,000	$ 50,000	$ 50,000
Grand Total	**$ 34,521**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**	**$ 50,000**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is shown below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
882501 Energy, Research & Innovation	**$ 3,204,227**	**$ 3,113,000**	**$ 3,499,700**	**$ 3,900,400**	**$ 3,862,200**	**$ 3,953,300**	**$ 3,954,500**
2.1 Salaries & Wages	**517,233**	**527,900**	**559,300**	**559,300**	**559,300**	**559,300**	**559,300**
Salaries & Wages	496,400	527,900	559,300	559,300	559,300	559,300	559,300
Salaries & Wages - Federal Grants	20,833	-	-	-	-	-	-
2.2 Workforce Development	**90,356**	**262,800**	**239,600**	**287,400**	**383,000**	**383,000**	**383,000**
Salaries & Wages - Internships	90,356	262,800	239,600	287,400	383,000	383,000	383,000
2.3 Overtime	**328**	**-**	**-**	**-**	**-**	**-**	**-**
Salaries & Wages - Overtime	328	-	-	-	-	-	-
2.4 Employee Benefits	**187,535**	**152,200**	**168,600**	**169,700**	**170,900**	**172,000**	**173,200**
Employee Benefits - Employer Paid	184,605	152,200	168,600	169,700	170,900	172,000	173,200
Employee Benefits - Federal Grants	2,930	-	-	-	-	-	-
4.2 Supplies & Other	**520,069**	**586,100**	**589,000**	**589,000**	**589,000**	**589,000**	**589,000**
Buildings & Ground Repairs & Maintenance	104	-	-	-	-	-	-
Capital Outlay less than $5,000	9,209	30,000	30,000	30,000	30,000	30,000	30,000
Janitorial	77	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	400,241	425,000	430,000	430,000	430,000	430,000	430,000
Mileage and Parking	232	2,000	3,000	3,000	3,000	3,000	3,000
Office Supplies	2,824	7,100	5,000	5,000	5,000	5,000	5,000
Operating Supplies	90,088	75,000	80,000	80,000	80,000	80,000	80,000
Postage	1,823	2,000	1,000	1,000	1,000	1,000	1,000
Training and Internal Meetings	12,147	15,000	15,000	15,000	15,000	15,000	15,000
Travel	3,324	30,000	25,000	25,000	25,000	25,000	25,000
4.3 Contractual Services	**1,888,706**	**1,584,000**	**1,943,200**	**2,295,000**	**2,160,000**	**2,250,000**	**2,250,000**
Contractual Operating Services	21,000	-	-	-	-	-	-
Contractual Professional Services	649,026	172,800	394,400	690,000	720,000	750,000	750,000
Contractual Professional Services All Sewer	226,384	710,100	757,400	690,000	720,000	750,000	750,000
Contractual Professional Services All Water	959,527	701,100	791,400	915,000	720,000	750,000	750,000
Contractual Services – Federal Grants - All Sewer	32,769	-	-	-	-	-	-
Grand Total	**$ 3,204,227**	**$ 3,113,000**	**$ 3,499,700**	**$ 3,900,400**	**$ 3,862,200**	**$ 3,953,300**	**$ 3,954,500**

Transformation

The Transformation area is a group of experts in Lean and Six Sigma methods and techniques. Transformation partners with business leaders across GLWA to identify and execute process improvements and cost savings projects for safety, operations, management, planning and reporting functions.

- Lean – A systematic method for waste reduction or waste elimination within a system or process without sacrificing quality or productivity.
- Six Sigma – A disciplined, data driven methodology for identifying and eliminating variation and removing the causes of defects in any manufacturing or business process.

Mission: The mission of Transformation is to develop a culture throughout the organization that cultivates the cycle of Continuous Improvement and Lean Six Sigma methodology by first respecting people, increasing understanding of our current state, providing meaningful training, and working to empower, engage, and inspire team members.

Vision: The vision of Transformation is to create and maintain a safe working environment, be leaders who lead by example, and empower those we work alongside. Through internal partnerships within the organization, we will construct a framework that is built upon Lean Six Sigma structured tools that deliver financial and operational results, reduce risks, improve processes, and identify cost savings opportunities by reducing or eliminating waste.

Strategic Initiatives

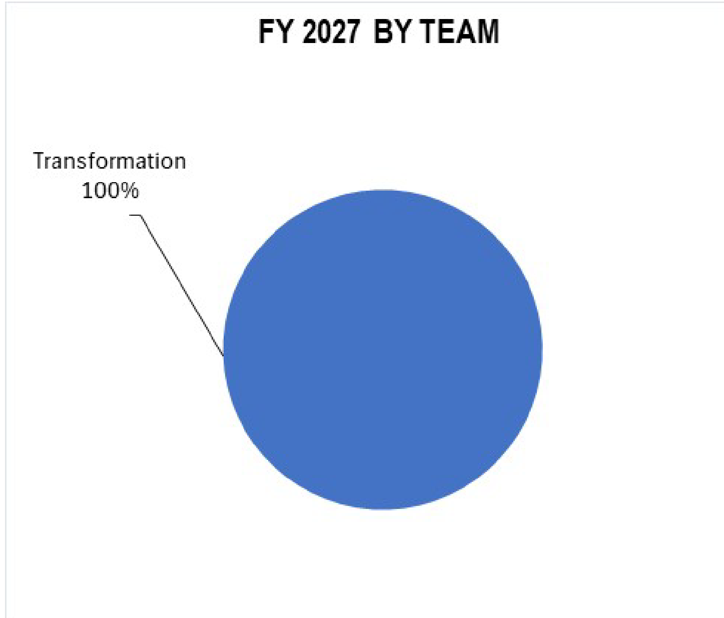
- **5S Workplace Organization & Audit for Compliance Initiative (Ongoing)**
  The goal of Transformation is to partner with all areas and groups of the organization to make GLWA's work areas function better by making the areas easier and safer places to work. This occurs by making spaces make sense; tools and materials are placed in logical locations based on who needs them, how frequently they're needed, and other considerations such as safety and location. Over time, cleaning and organization become habits and processes become more efficient. Each area that has completed a 5S project begins an audit for compliance process to sustain all gains made during the project.
- **Process Improvement/Kaizen (Ongoing)**
  Small increments of good change across the organization will reap huge benefits and returns. The objective of Kaizen is to improve productivity, reduce waste, eliminate unnecessary work and refine the workplace, while boosting team member morale.

- **Root Cause Analysis/Practical Methods & Techniques for Solving Problems (Ongoing)**
  The Transformation team works with various areas, groups, and teams to identify the root cause(s) of many problems team members face on a regular basis. Transformation helps teams systematically find permanent solutions so that the possibility of future recurrence is mitigated. Teaching Root Cause Analysis (RCA) tools and techniques help to develop a logical approach to solving problems. RCA also helps GLWA to repeat successes learned through this analysis that can be shared across the organization creating a more effective and efficient work environment.

The table below shows how the Transformation area's initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
General Counsel Strategic Initiatives	5S Workplace Organization & Audit for Compliance Initiative (Enterprise Wide Initiative)		x	x	x	x	x	x		x		
	Process Improvement / Kaizen (Small Increments Of Good Change)		x	x		x	x	x				
	Root Cause Analysis/Practical Methods & Techniques for Solving Problems		x	x	x	x	x	x				

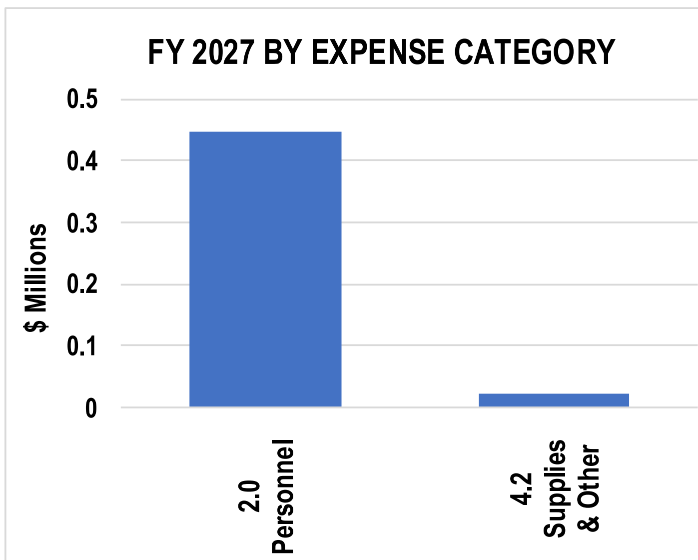
Organization
The Transformation area has only one team.



Expense Categories
The Transformation area consists of two expense categories:

- ❖ Personnel
- ❖ Supplies & Other

Based upon the nature of this service area, the largest expense category is salaries. Supplies & Other expense includes operating supplies and training.



Biennial Budget Request
The biennial budget reflects an increase of $28,500 or 6.4%, for FY 2027. This minor increase is primarily by staffing costs.

- ❖ Personnel increased $27,800 due to compensation increases and the addition of two interns.
- ❖ The small increase of $700 in the Supplies and Other expense category to cover necessary operational costs.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 330,265	$ 419,500	$ 75,052	$ 447,300	$ 27,800	6.6%	$ 456,900
4.2 Supplies & Other	5,467	22,700	272	23,400	700	3.1%	24,100
4.3 Contractual Services	270,160	-	-	-	-	0.0%	-
Grand Total	**$ 605,892**	**$ 442,200**	**$ 75,325**	**$ 470,700**	**$ 28,500**	**6.4%**	**$ 481,000**

Personnel Budget

The staffing plan provides for a total of five positions in FY 2027. The increase of two is for two interns.

Staffing Plan – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan						
Team Member Type	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**3.00**	**3.00**	3.00	**3.00**	**3.00**	**3.00**	**3.00**
Transformation	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Intern	**-**	**-**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Transformation	-	-	2.00	2.00	2.00	2.00	2.00
Grand Total	**3.00**	**3.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**

Full Time Equivalents – The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full Time Equivalents (includes interns)

	Full Time Equilivants (FTE's)						
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Transformation	3.00	3.00	**3.75**	4.00	4.50	4.50	4.50
Grand Total	**3.00**	**3.00**	**3.75**	**4.00**	**4.50**	**4.50**	**4.50**

Personnel Budget - The following tables present the Transformation personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.1 Salaries & Wages	$ 239,798	$ 323,100	$ 49,251	**$ 321,200**	**$ (1,900)**	**-0.6%**	$ 321,200
2.2 Workforce Development	8,352	-	7,952	**27,500**	**27,500**	**100.0%**	36,500
2.4 Employee Benefits	82,115	96,400	17,849	**98,600**	**2,200**	**2%**	99,200
Grand Total	**$ 330,265**	**$ 419,500**	**$ 75,052**	**$ 447,300**	**$ 27,800**	**6.6%**	**$ 456,900**

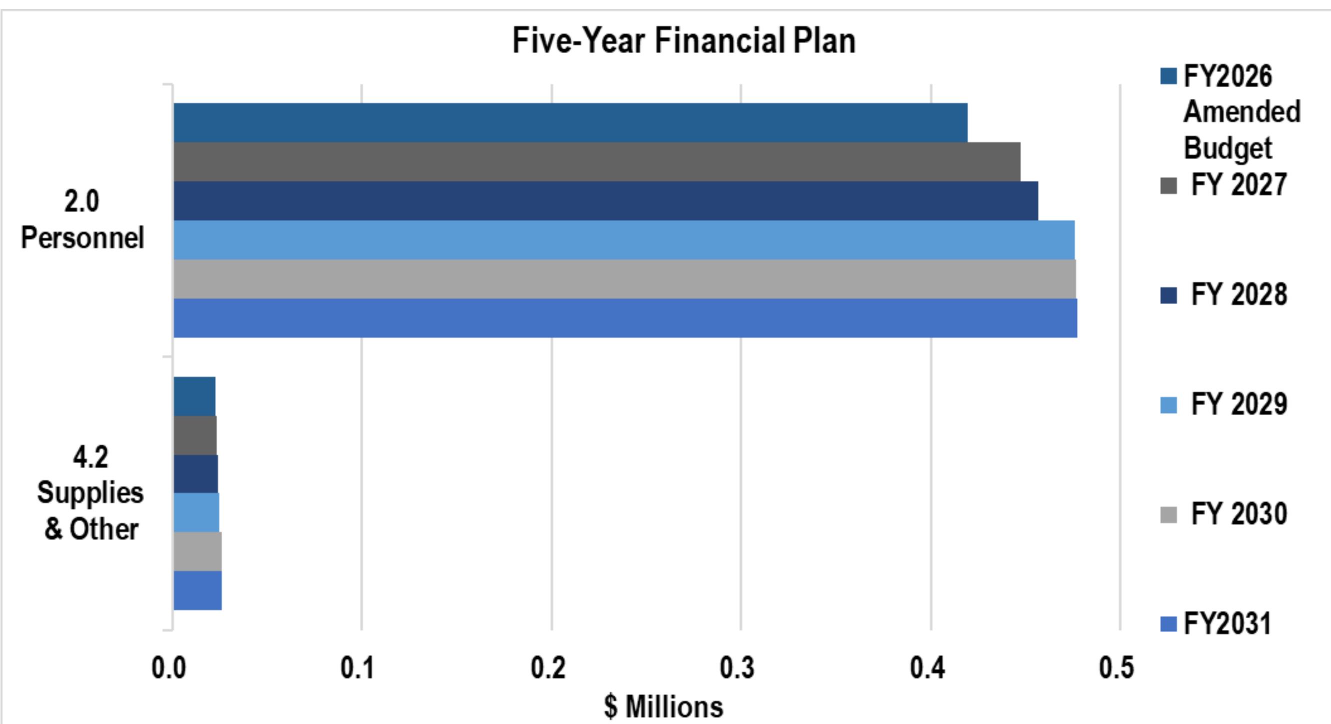
Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 239,798	$ 323,100	**$ 321,200**	$ 321,200	$ 321,200	$ 321,200	$ 321,200
2.2 Workforce Development	8,352	-	**27,500**	36,500	54,800	54,800	54,800
2.4 Employee Benefits	82,115	96,400	**98,600**	99,200	99,900	100,600	101,300
Grand Total	**$ 330,265**	**$ 419,500**	**$ 447,300**	**$ 456,900**	**$ 475,900**	**$ 476,600**	**$ 477,300**

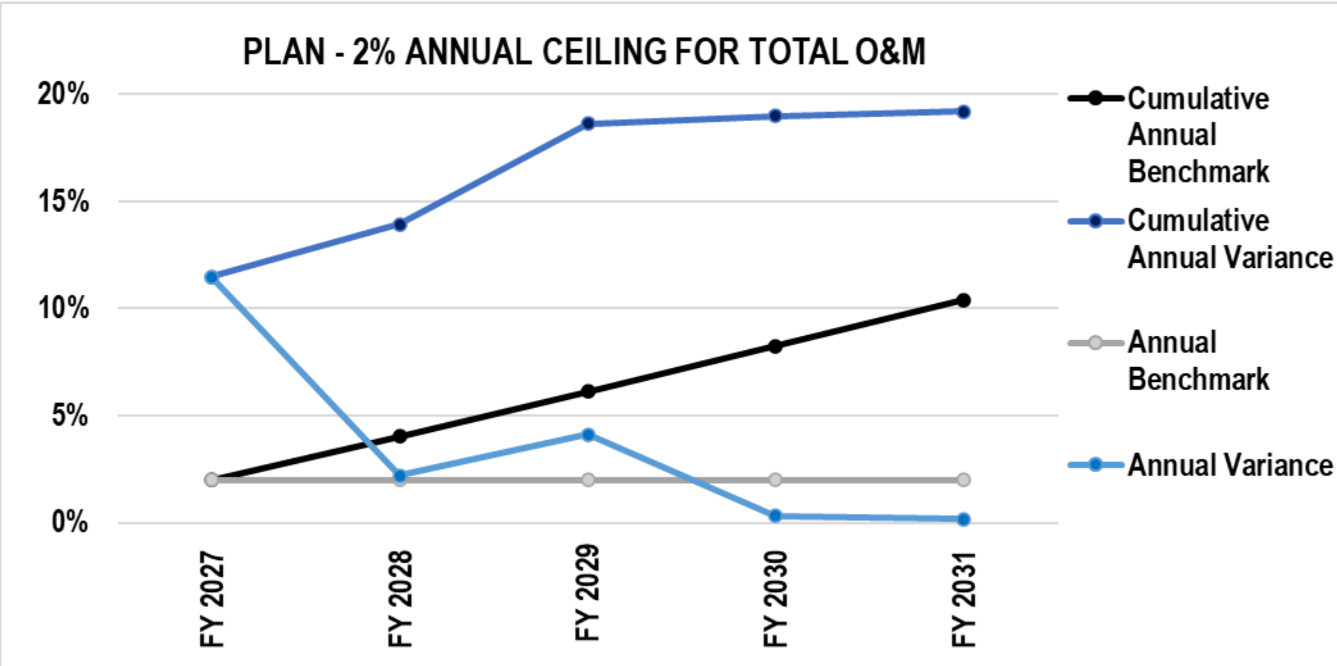
Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 330,265	$ 419,500	**$ 447,300**	$ 456,900	$ 475,900	$ 476,600	$ 477,300
4.3 Contractual Services	270,160	-	**-**	-	-	-	-
4.2 Supplies & Other	5,467	22,700	**23,400**	24,100	24,900	25,800	25,900
Grand Total	**$ 605,892**	**$ 442,200**	**$ 470,700**	**$ 481,000**	**$ 500,800**	**$ 502,400**	**$ 503,200**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%
The Transformation area's financial plan reflects a five-year overall increase of 19.2%. While this is above our entity wide goal of 10.4%. Transformation is a very small cost center and minor changes in cost can result in significant percentage swings.



Capital Outlay
Capital Outlay is not a component of the Transformation area.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
882511 Transformation	**$ 605,892**	**$ 442,200**	**$ 470,700**	**$ 481,000**	**$ 500,800**	**$ 502,400**	**$ 503,200**
2.1 Salaries & Wages	**239,798**	**323,100**	**321,200**	**321,200**	**321,200**	**321,200**	**321,200**
2.2 Workforce Development	**8,352**	**-**	**27,500**	**36,500**	**54,800**	**54,800**	**54,800**
2.4 Employee Benefits	**82,115**	**96,400**	**98,600**	**99,200**	**99,900**	**100,600**	**101,300**
4.2 Supplies & Other	**5,467**	**22,700**	**23,400**	**24,100**	**24,900**	**25,800**	**25,900**
Memberships, Licenses & Subscriptions	-	2,200	2,300	2,300	2,300	2,400	2,400
Mileage and Parking	-	500	600	600	600	700	700
Office Supplies	-	1,100	1,100	1,100	1,200	1,200	1,200
Operating Supplies	5,467	10,600	10,900	11,500	12,000	12,500	12,500
Training and Internal Meetings	-	5,200	5,300	5,400	5,500	5,600	5,700
Travel	-	3,100	3,200	3,200	3,300	3,400	3,400
4.3 Contractual Services	**270,160**	**-**	**-**	**-**	**-**	**-**	**-**
Contractual Operating Services	270,160	-	-	-	-	-	-
Grand Total	**$ 605,892**	**$ 442,200**	**$ 470,700**	**$ 481,000**	**$ 500,800**	**$ 502,400**	**$ 503,200**

Information Technology

A center of excellence that provides reliable, modern, and integrated technology to securely support GLWA's dedication to efficiently deliver the nation's best water and wastewater services to our member partner communities.

Strategic Initiatives

- **Project Management Information System (PMIS) (Completion in FY 2028)**
  A PMIS is needed to replace a custom-built Capital Improvement Program (CIP) Portal and the use of SharePoint sites to manage GLWA's capital improvement program and projects. The selected PMIS, Kahua, will improve the efficiency and processes of planning and executing GLWA's CIP, primarily supporting Planning Services as well as Water and Wastewater Engineering and Construction. Phase 1 of the PMIS implementation project is currently underway with a focus on Capital Improvement Planning and is expected to go live in FY 2027. Phase 2, Program and Program Management, is expected to go live in FY 2028.
- **Cyber Security Posture Improvements (Multi-year)**
  Robust cybersecurity is critical in protecting GLWA's information, systems, and operations. On an ongoing basis, GLWA IT will improve the cybersecurity posture through modernization, leveraging the most current technology to keep pace with ever-present and emerging cyber-threats. We continue to secure cloud apps and onsite access by rolling out Multi Factor Authentication (MFA) and other tools. Mobile Device Management (MDM) tools have been rolled out to all GLWA laptops and tablets and will be rolled out to phones in FY 2027 to enhance the protection of GLWA and its team members from cyber-security vulnerabilities.
- **Infrastructure Resiliency (Completion by 2028)**
  A new multiyear roadmap has been created to build upon the foundation created by the previous roadmap, completed in 2025. This new roadmap contains initiatives to mitigate risks and provide infrastructure resiliency by building on previous advancements to sustain a secure, compliant, robust, and reliable IT infrastructure as the foundation to support GLWA's core enterprise technology needs. This includes the migration and modernization of the network infrastructure with continued emphasis on the adoption of cloud-based platforms. Wireless access will be improved within GLWA facilities to enable greater mobility and safety for team members who will be able to use their mobile devices for their work throughout our facilities.
- **Emerging Technology (Multi-year)**
  In addition to strategically exploring and piloting emerging technologies (e.g. Artificial Intelligence, Machine Learning, Augmented Reality, Data Warehousing, Digital Twins, etc.) for applicability to GLWA's operations for information accessibility, analysis, and optimization and enhanced IT security, we have launched secure access to Microsoft Copilot to enhance our team members' productivity. A focus for FY 2027 will be marshalling data to improve analytics and decision-making capability. We will pilot two to three emerging technologies that address our needs to best utilize our data.

The following table shows how the Information Technology Area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Information Technology Strategic Initiatives	Project Management Information System (PMIS)		X	X	X	X	X	X		X		X
	Cyber Security Posture Improvements	X	X		X	X	X	X				
	Infrastructure Resiliency	X			X	X	X	X				
	Emerging Technology			X		X		X			X	

Information Technology Contracts

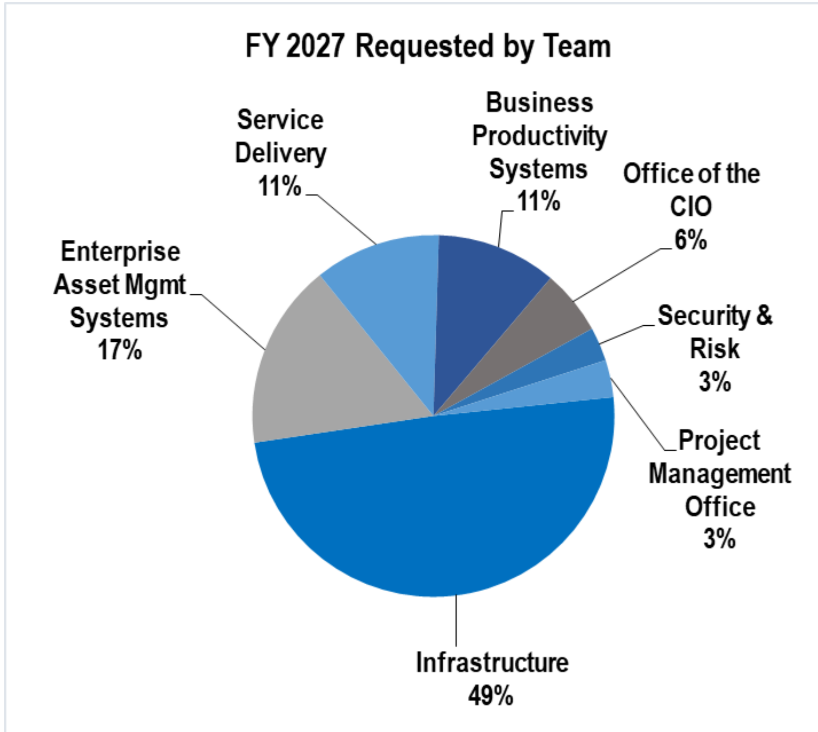
The Information Technology (IT) budget contains most IT-related costs used throughout GLWA. This includes software and hardware purchases, subscriptions for cloud-based solutions, hardware and software maintenance, and contracted services to support GLWA's IT platforms. The largest contract is with AT&T for Telecom, Managed Security & Network Services, who operates, updates, and maintains the wide area network, local area network, phone services, internet, and managed network security. The table below includes the key contracts for these services:

Significant Contracts

Project Description	**Telecom, Managed Security & Networks**	**Disaster Recovery Services**	**Telecom, Managed Security & Networks**	**Repair & Maint Software/ Contractual Op Svcs**	**Repairs & Maintenance - Software**	**Repairs & Maintenance - Software**	**Total of Significant Contracts**
Prime Consultant or Supplier	AT&T	VMWARE Cloud Disaster Recovery as a Service	Verizon	ERP Subscription - Workday	EAM Subscription- NEXGEN	PMIS - Kahua Inc	
Contract #	CS-1689	2200346	1801674	2000274-2	1904219-2	SCN-0000540	
Contract Amount	$ 60,000,000	$ 1,605,755	$ 500,000	$ 6,265,747	$ 1,731,624	$ 4,780,757	
Contract End Date	TBD	5/8/2025	TBD	5/31/2030	11/20/2028	12/31/2031	
Contract End Date	TBD	5/8/2025	TBD	5/31/2030	11/20/2028	12/31/2031	
Cost Center Name	Infrastructure	Infrastructure	IT Service Delivery	IT Business Applications	IT Enterprise Applications	IT Enterprise Applications	
Expense Category	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	Contractual Services	
Pre-FY 2024 Spend	51,377,800	-	2,816,900	-	-	-	
Pre-FY 2024 Average Spend (*)	10,275,560	-	563,380	-	-	-	
FY 2025 Spend	14,071,500	355,500	1,009,300	845,500	368,900	314,500	16,965,200
FY 2026 Amended	**14,123,400**	**1,326,000**	**828,200**	**782,200**	**300,000**	**1,500,000**	**18,859,800**
FY 2027	14,405,900	1,352,500	844,800	797,800	350,000	656,100	18,407,100
FY 2028	14,694,000	1,379,600	861,700	813,800	350,000	656,100	18,755,200
FY 2029	14,987,900	1,407,200	878,900	830,100	350,000	656,100	19,110,200
FY 2030	14,987,900	1,407,200	878,900	830,100	350,000	656,100	19,110,200
FY 2031	15,287,700	1,435,300	896,500	846,700	350,000	656,100	19,472,300
Total	**$ 153,936,100**	**$ 8,663,300**	**$ 9,015,200**	**$ 5,746,200**	**$ 2,418,900**	**$ 5,095,000**	**$ 130,680,000**

Organization

The GLWA Information Technology (IT) Group consists of seven teams.



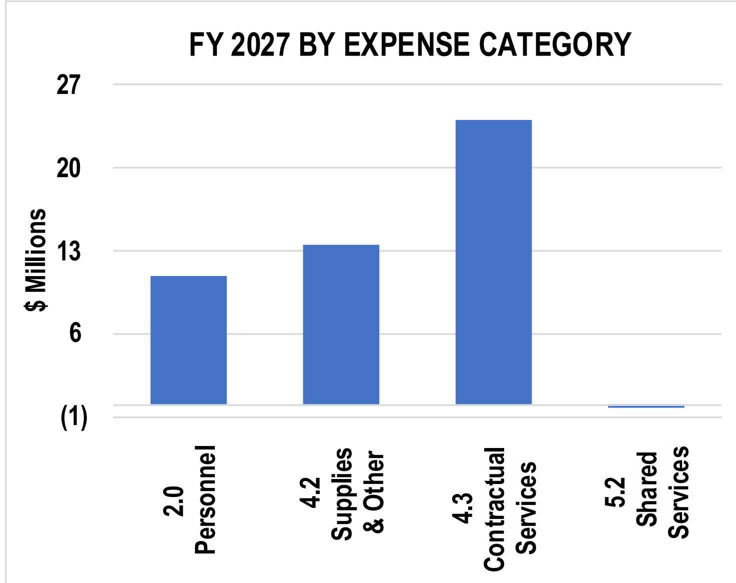
- **Office of the Chief Information Officer**
  Provides strategic direction and administrative support for all IT functions.
- **Project Management Office**
  Fosters collaboration, support and oversees the execution of technology initiatives.
- **Security & Risk**
  Responsible for deploying security solutions and monitoring the network, systems, and users to secure GLWA's systems and data from cyber threats.
- **Infrastructure**
  Manages the information technology (IT) components that provide the technology backbone for the organization including data center operations, data storage, systems administration, telecommunications, network administration, backups, and disaster recovery.
- **Enterprise Asset Management Systems**
  Supports all asset management-related software which facilitates operations, maintenance, and capital planning of GLWA's assets. These services include Business Intelligence (BI), Geographic Information System (GIS), and Enterprise Asset Management (EAM).
- **Business Productivity Systems**
  Leads the development and support of all customer-facing "back office" applications common to all team members including financial and human resource systems, websites/portals, office productivity systems, and electronic document management.
- **Service Delivery** – Provides frontline service and support to all team members and is responsible for deployment and support of all assigned computing and mobile devices and printers.

Expense Categories

There are four categories of Information Technology expenses in the operations and maintenance budget as listed below:

- Personnel
- Supplies & Other
- Contractual Services
- Shared Services

Contractual Services is the largest expense category for FY 2027. Included in this account are the budgets for telecom managed security & network services, data center modernization, and GIS strategic services and support.



Biennial Budget Request

The biennial budget reflects an overall increase of $1, 788,200 or a 3.9% in FY 2027.

- Personnel increased by $136,900 in FY 2027 with no additional positions being added for the fiscal period. Utilizing the current open positions to fill the organizational needs. The increase is related to merit and market adjustments.
- Supplies & other increased by $1.1 million in FY 2027 due to a project to provide wireless technology to the water plants.
- Contractual services increased by $605,200 for contractual support staff. These include cyber security initiatives, continued consultation to support the organization since the GO-Live of the new EAM system and ERP enterprise projects. The other factors include right-sizing contractual support for projects with Smart Water Technology, Trimble, Magnolia Rivers, and GIS OnDemand support.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 9,520,456	$ 10,679,500	$ 2,679,640	**$ 10,816,400**	**$ 136,900**	**1.3%**	$ 11,033,600
4.2 Supplies & Other	9,279,138	12,440,700	2,484,419	**13,501,100**	**1,060,400**	**8.5%**	13,771,000
4.3 Contractual Services	22,713,738	23,460,100	2,827,524	**24,065,300**	**605,200**	**2.6%**	24,546,600
5.2 Shared Services	(301,684)	(286,300)	(69,201)	**(300,600)**	**(14,300)**	**5.0%**	(315,600)
Grand Total	**$ 41,211,648**	**$ 46,294,000**	**$ 7,922,382**	**$ 48,082,200**	**$ 1,788,200**	**3.9%**	**$ 49,035,600**

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 02.28.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Office of the CIO	$ 2,014,860	$ 2,276,700	$ 589,718	**$ 2,776,800**	**$ 500,100**	**22.0%**	$ 2,840,600
Project Management Office	1,488,569	1,667,000	367,024	**1,597,200**	**(69,800)**	**-4.2%**	1,629,900
Service Delivery	4,052,362	5,772,500	990,293	**5,424,700**	**(347,800)**	**-6.0%**	5,499,600
Infrastructure	19,358,848	22,381,000	3,996,984	**23,704,600**	**1,323,600**	**5.9%**	24,171,400
Business Productivity Systems	4,448,289	5,298,300	807,084	**5,161,400**	**(136,900)**	**-2.6%**	5,262,500
Enterprise Asset Mgmt Systems	8,614,642	6,952,800	857,628	**7,964,600**	**1,011,800**	**14.6%**	8,161,800
Security & Risk	1,234,078	1,945,700	313,725	**1,452,900**	**(492,800)**	**-25.3%**	1,469,800
Grand Total	**$ 41,211,648**	**$ 46,294,000**	**$ 7,922,457**	**$ 48,082,200**	**$ 1,788,200**	**3.9%**	**$ 49,035,600**

Personnel Budget

Information Technology personnel consist of 81 positions for FY 2027. No additional positions were added from FY 2026.

The Information Technology Group is currently exploring an apprenticeship program that may add up to three FTEs depending on the identified need. Because of the preliminary nature of this opportunity, this additional headcount is not reflected in the staffing plan counts below.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan						
Team Member Type	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular	**77.00**	**79.00**	**80.00**	**80.00**	**80.00**	**80.00**	**80.00**
Office of the CIO	7.00	8.00	8.00	8.00	8.00	8.00	8.00
IT Project Management Office	10.00	11.00	11.00	11.00	11.00	11.00	11.00
IT Service Delivery	15.00	15.00	15.00	15.00	15.00	15.00	15.00
IT Infrastructure	13.00	13.00	13.00	13.00	13.00	13.00	13.00
IT Business Productivity Systems	10.00	10.00	10.00	10.00	10.00	10.00	10.00
IT Enterprise Asset Management Systems	18.00	18.00	19.00	19.00	19.00	19.00	19.00
IT Security & Risk	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Transitional Contractor	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
IT Business Productivity Systems	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Intern	**0.00**	**1.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
IT Enterprise Asset Management Systems	0.00	1.00	0.00	0.00	0.00	0.00	0.00
Grand Total	**78.00**	**81.00**	**81.00**	**81.00**	**81.00**	**81.00**	**81.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (includes interns)

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Office of the CIO	5.50	6.50	**7.25**	7.50	7.75	7.75	7.75
IT Project Management Office	11.00	11.00	**10.25**	10.50	10.75	10.75	10.75
IT Service Delivery	15.00	15.00	**15.00**	15.00	15.00	15.00	15.00
IT Infrastructure	12.25	13.00	**12.25**	12.50	12.75	12.75	12.75
IT Business Productivity Systems	9.00	9.75	**10.25**	10.50	11.00	11.00	11.00
IT Enterprise Asset Management Systems	15.75	18.00	**16.75**	17.50	18.25	18.25	18.25
IT Security & Risk	3.00	4.00	**4.00**	4.00	4.00	4.00	4.00
Grand Total	**71.50**	**77.25**	**75.75**	**77.50**	**79.50**	**79.50**	**79.50**

Personnel Budget - The following tables present the Information Technology personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 7,275,945	$ 8,014,900	$ 2,038,485	**$ 8,140,300**	**$ 125,400**	**1.6%**	$ 8,289,600
2.2 Workforce Development	-	36,500	-	**-**	**(36,500)**	**-100.0%**	-
2.3 Overtime	3,983	-	1,312	**-**	**-**	**0.0%**	-
2.4 Employee Benefits	2,150,088	2,396,400	639,844	**2,475,900**	**79,500**	**3.3%**	2,543,800
2.5 Transition Services	90,440	231,700	-	**200,200**	**(31,500)**	**-13.6%**	200,200
Grand Total	**$ 9,520,456**	**$ 10,679,500**	**$ 2,679,640**	**$ 10,816,400**	**$ 136,900**	**1.3%**	**$ 11,033,600**

Personnel - Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 9.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Office of the CIO	$ 873,566	$ 1,176,500	$ 386,586	**$ 1,397,200**	**$ 220,700**	**18.8%**	$ 1,433,400
Project Management Office	1,459,186	1,628,200	363,932	**1,559,100**	**(69,100)**	**-4.2%**	1,591,100
Service Delivery	1,552,139	1,590,000	400,723	**1,597,800**	**7,800**	**0.5%**	1,601,300
Infrastructure	1,672,699	1,763,400	426,271	**1,678,300**	**(85,100)**	**-4.8%**	1,708,400
Business Productivity Systems	1,264,435	1,525,800	353,418	**1,576,700**	**50,900**	**3.3%**	1,606,100
Enterprise Asset Mgmt Systems	2,144,438	2,358,500	577,401	**2,351,400**	**(7,100)**	**-0.3%**	2,436,400
Security & Risk	553,993	637,100	171,309	**655,900**	**18,800**	**3.0%**	656,900
Grand Total	**$ 9,520,456**	**$ 10,679,500**	**$ 2,679,640**	**$ 10,816,400**	**$ 136,900**	**1.3%**	**$ 11,033,600**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 7,275,945	$ 8,014,900	**$ 8,140,300**	$ 8,289,600	$ 8,457,300	$ 8,457,300	$ 8,457,300
2.2 Workforce Development	-	36,500	**-**	-	-	-	-
2.3 Overtime	3,983	-	**-**	-	-	-	-
2.4 Employee Benefits	2,150,088	2,396,400	**2,475,900**	2,543,800	2,620,000	2,638,100	2,656,100
2.5 Transition Services	90,440	231,700	**200,200**	200,200	200,200	200,200	200,200
Grand Total	**$ 9,520,456**	**$ 10,679,500**	**$ 10,816,400**	**$ 11,033,600**	**$ 11,277,500**	**$ 11,295,600**	**$ 11,313,600**

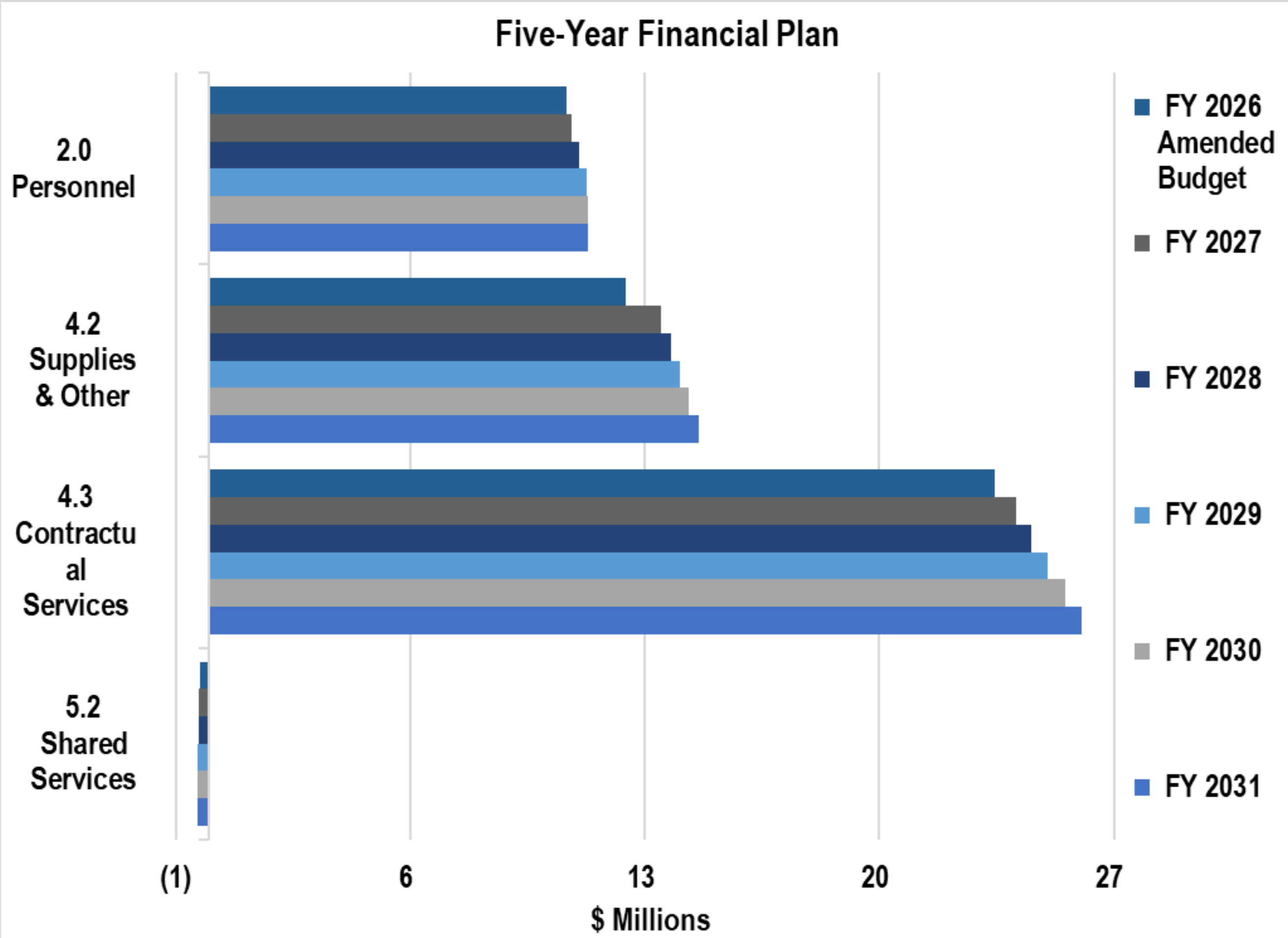
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Office of the CIO	$ 873,566	$ 1,176,500	**$ 1,397,200**	$ 1,433,400	$ 1,470,100	$ 1,471,800	$ 1,473,600
Project Management Office	1,459,186	1,628,200	**1,559,100**	1,591,100	1,597,300	1,599,800	1,602,300
Service Delivery	1,552,139	1,590,000	**1,597,800**	1,601,300	1,604,700	1,608,200	1,611,600
Infrastructure	1,672,699	1,763,400	**1,678,300**	1,708,400	1,738,800	1,741,800	1,744,700
Business Productivity Systems	1,264,435	1,525,800	**1,576,700**	1,606,100	1,663,400	1,665,700	1,668,000
Enterprise Asset Mgmt Systems	2,144,438	2,358,500	**2,351,400**	2,436,400	2,545,400	2,549,600	2,553,800
Security & Risk	553,993	637,100	**655,900**	656,900	657,800	658,700	659,600
Grand Total	**$ 9,520,456**	**$ 10,679,500**	**$ 10,816,400**	**$ 11,033,600**	**$ 11,277,500**	**$ 11,295,600**	**$ 11,313,600**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 9,520,456	$ 10,679,500	**$ 10,816,400**	$ 11,033,600	$ 11,277,500	$ 11,295,600	$ 11,313,600
4.2 Supplies & Other	9,279,138	12,440,700	**13,501,100**	13,771,000	14,046,100	14,326,600	14,612,800
4.3 Contractual Services	22,713,738	23,460,100	**24,065,300**	24,546,600	25,037,400	25,538,000	26,048,900
5.2 Shared Services	(301,684)	(286,300)	**(300,600)**	(315,600)	(331,500)	(348,100)	(365,500)
Grand Total	**$ 41,211,648**	**$ 46,294,000**	**$ 48,082,200**	**$ 49,035,600**	**$ 50,029,500**	**$ 50,812,100**	**$ 51,609,800**

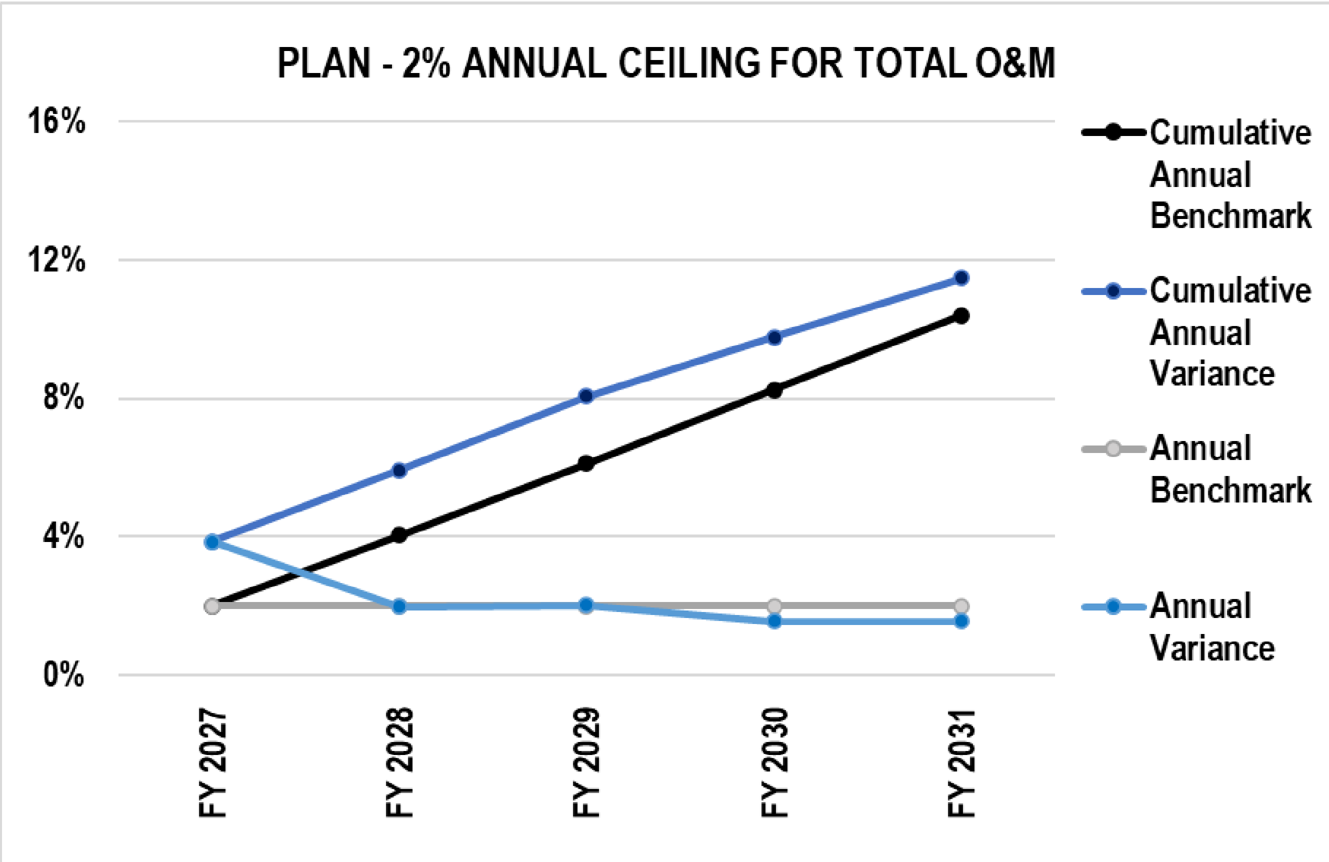


Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Office of the CIO	$ 2,014,860	$ 2,276,700	**$ 2,776,800**	$ 2,840,600	$ 2,905,400	$ 2,935,700	$ 2,966,700
Project Management Office	1,488,569	1,667,000	**1,597,200**	1,629,900	1,636,800	1,640,000	1,643,300
Service Delivery	4,052,362	5,772,500	**5,424,700**	5,499,600	5,575,500	5,652,600	5,730,900
Infrastructure	19,358,848	22,381,000	**23,704,600**	24,171,400	24,646,800	25,103,500	25,569,200
Business Productivity Systems	4,448,289	5,298,300	**5,161,400**	5,262,500	5,392,900	5,469,700	5,548,000
Enterprise Asset Mgmt Systems	8,614,642	6,952,800	**7,964,600**	8,161,800	8,385,200	8,506,300	8,629,600
Security & Risk	1,234,078	1,945,700	**1,452,900**	1,469,800	1,486,900	1,504,300	1,522,100
Grand Total	**$ 41,211,648**	**$ 46,294,000**	**$ 48,082,200**	**$ 49,035,600**	**$ 50,029,500**	**$ 50,812,100**	**$ 51,609,800**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The IT financial plan reflects a five-year overall increase of 11.5% due to projects to add wireless access for the water plants and continued efforts to remain cyber-resilient in technology, while the entity-wide goal is a cumulative 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Information Technology five-year capital outlay plan is funded by the Operations & Maintenance budget. The amount funded by O&M is included in the 4.2 Supplies and Other expense category.

Five-Year Capital Outlay Plan by Asset Category

Asset Category	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Operations & Maintenance	**$ 8,469,300**	**$ 8,830,200**	**$ 9,006,900**	**$ 9,187,000**	**$ 9,370,700**	**$ 9,558,100**
Hardware	793,000	808,900	825,100	841,600	858,400	875,600
Software	7,676,300	8,021,300	8,181,800	8,345,400	8,512,300	8,682,500
Grand Total	**$ 8,469,300**	**$ 8,830,200**	**$ 9,006,900**	**$ 9,187,000**	**$ 9,370,700**	**$ 9,558,100**

Five-Year Capital Outlay Plan by Funding Source

Funding Source	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Operations & Maintenance	$ 8,469,300	**$ 8,830,200**	$ 9,006,900	$ 9,187,000	$ 9,370,700	$ 9,558,100
Grand Total	**$ 8,469,300**	**$ 8,830,200**	**$ 9,006,900**	**$ 9,187,000**	**$ 9,370,700**	**$ 9,558,100**

Five-Year Capital Outlay Plan by Team

Team	Actuals FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Service Delivery	$ 690,217	$ 333,400	**$ 405,600**	$ 413,700	$ 422,000	$ 430,400	$ 439,000
Infrastructure	2,937,414	2,390,000	**2,437,800**	2,486,600	2,536,300	2,587,000	2,638,800
Business Productivity Systems	2,289,436	2,586,800	**2,418,400**	2,466,800	2,516,100	2,566,400	2,617,700
Enterprise Asset Mgmt Systems	1,444,553	2,232,400	**3,318,400**	3,384,800	3,452,500	3,521,600	3,592,000
Security & Risk	98,499	926,700	**250,000**	255,000	260,100	265,300	270,600
Grand Total	**$ 7,460,119**	**$ 8,469,300**	**$ 8,830,200**	**$ 9,006,900**	**$ 9,187,000**	**$ 9,370,700**	**$ 9,558,100**

Significant IT Initiatives

As overall improvements and enhancements to the backbone of the IT infrastructure are completed under the Data Center Modernization Program, they will be funded through the Operations & Maintenance budget as they are related to implementation, physical hardware, and software items. Additional components are related subscription and other cloud services which will also be funded from IT's Operations & Maintenance budget.

The tables below contain the budget details by fiscal year.

Software & Subscription Services funded by Operations & Maintenance Funds

Project Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Endpoint Protection (Sentinel One)	$ 90,900	**$ 91,800**	$ 92,700	$ 93,600	$ 95,500	$ 97,400
DRaaS Subscription Services	431,000	**435,300**	439,700	444,100	453,000	462,100
Amazon Web Services (Storage and Server Costs)	101,000	**102,000**	103,000	104,000	106,100	108,200
Cybersecurity Monitoring Solution	227,300	**229,600**	231,900	234,200	238,900	243,700
Hybrid Cloud Migration/NSX-T	-	**-**	-	-	-	-
Veeam Licensing (Back Up)	397,600	**401,600**	405,600	409,700	417,900	426,300
AD Migration	174,800	**176,500**	178,300	180,100	183,700	187,400
Total	**$ 1,422,600**	**$ 1,436,800**	**$ 1,451,200**	**$ 1,465,700**	**$ 1,495,100**	**$ 1,525,100**

Line-Item Budget and Plan

The five-year plan by line-item expense is shown below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
883301 Office of the CIO	**$ 2,014,860**	**$ 2,276,700**	**$ 2,776,800**	**$ 2,840,600**	**$ 2,905,400**	**$ 2,935,700**	**$ 2,966,700**
2.1 Salaries & Wages	**698,170**	**928,700**	**1,103,200**	**1,129,600**	**1,156,200**	**1,156,200**	**1,156,200**
2.4 Employee Benefits	**175,396**	**247,800**	**294,000**	**303,800**	**313,900**	**315,600**	**317,400**
4.2 Supplies & Other	**141,198**	**139,300**	**239,500**	**244,300**	**249,200**	**254,100**	**259,100**
Fuel	39	-	**-**	-	-	-	-
Inspection and Permit Fees	280	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	112,634	100,000	**203,500**	207,600	211,800	216,000	220,300
Mileage and Parking	622	-	**-**	-	-	-	-
Office Supplies	17	13,300	**5,000**	5,100	5,200	5,300	5,400
Operating Supplies	3,105	1,000	**1,000**	1,000	1,000	1,000	1,000
Training and Internal Meetings	15,175	13,000	**15,000**	15,300	15,600	15,900	16,200
Travel	9,326	12,000	**15,000**	15,300	15,600	15,900	16,200
4.3 Contractual Services	**1,000,096**	**960,900**	**1,140,100**	**1,162,900**	**1,186,100**	**1,209,800**	**1,234,000**
Contract Services-Information Technology	972,794	558,800	**730,000**	744,600	759,500	774,700	790,200
Contractual Operating Services	27,250	2,100	**2,100**	2,100	2,100	2,100	2,100
Contractual Professional Services	-	400,000	**408,000**	416,200	424,500	433,000	441,700
Telecom, Managed Security & Network Svcs	52	-	**-**	-	-	-	-
883311 Info Technology Project Management Office	**1,488,569**	**1,667,000**	**1,597,200**	**1,629,900**	**1,636,800**	**1,640,000**	**1,643,300**
2.1 Salaries & Wages	**1,138,144**	**1,261,400**	**1,203,300**	**1,225,800**	**1,225,800**	**1,225,800**	**1,225,800**
2.4 Employee Benefits	**321,042**	**366,800**	**355,800**	**365,300**	**371,500**	**374,000**	**376,500**
4.2 Supplies & Other	**29,299**	**38,200**	**37,500**	**38,200**	**38,900**	**39,600**	**40,400**
Memberships, Licenses & Subscriptions	13,739	15,200	**15,500**	15,800	16,100	16,400	16,700
Mileage and Parking	319	-	**-**	-	-	-	-
Training and Internal Meetings	10,097	8,000	**10,000**	10,200	10,400	10,600	10,800
Travel	5,144	15,000	**12,000**	12,200	12,400	12,600	12,900
4.3 Contractual Services	**84**	**600**	**600**	**600**	**600**	**600**	**600**
Contractual Operating Services	84	600	**600**	600	600	600	600
883321 Info Technology Service Delivery	**4,052,362**	**5,772,500**	**5,424,700**	**5,499,600**	**5,575,500**	**5,652,600**	**5,730,900**
2.1 Salaries & Wages	**1,145,069**	**1,185,500**	**1,181,500**	**1,181,500**	**1,181,500**	**1,181,500**	**1,181,500**
2.3 Overtime	**3,983**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**403,087**	**404,500**	**416,300**	**419,800**	**423,200**	**426,700**	**430,100**
4.2 Supplies & Other	**1,684,169**	**2,814,900**	**2,436,800**	**2,485,500**	**2,535,200**	**2,585,800**	**2,637,400**
Capital Outlay less than $5,000	181,417	108,200	**110,400**	112,600	114,900	117,200	119,500
Capital Outlay over $5k(O&M-NonCapitlzd)	640,500	2,000,000	**1,540,000**	1,570,800	1,602,200	1,634,200	1,666,900
Hardware Repairs & Maintenance	54,880	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	189	5,700	**5,800**	5,900	6,000	6,100	6,200
Mileage and Parking	346	-	**-**	-	-	-	-
Office Supplies	2,421	5,000	**5,100**	5,200	5,300	5,400	5,500
Operating Supplies	975	-	**-**	-	-	-	-
Postage	184	-	**-**	-	-	-	-
Printing	167,091	342,600	**349,500**	356,500	363,600	370,900	378,300
Software Repairs & Maintenance	635,337	333,400	**405,600**	413,700	422,000	430,400	439,000
Training and Internal Meetings	125	10,000	**10,200**	10,400	10,600	10,800	11,000
Travel	704	10,000	**10,200**	10,400	10,600	10,800	11,000
Tuition Refund	-	-	**-**	-	-	-	-
4.3 Contractual Services	**1,002,876**	**1,530,000**	**1,560,600**	**1,591,800**	**1,623,600**	**1,656,000**	**1,689,100**
Contract Services-Information Technology	563	30,000	**30,600**	31,200	31,800	32,400	33,000
Contractual Operating Services	2,799	-	**-**	-	-	-	-
Telecom, Managed Security & Network Svcs	999,514	1,500,000	**1,530,000**	1,560,600	1,591,800	1,623,600	1,656,100
5.2 Shared Services	**(186,822)**	**(162,400)**	**(170,500)**	**(179,000)**	**(188,000)**	**(197,400)**	**(207,200)**
Shared Services : Salaries & Wages Reimb	(66,199)	(55,800)	**(58,600)**	(61,500)	(64,600)	(67,800)	(71,200)
Shared Services Reimbursement	(93,785)	(84,500)	**(88,700)**	(93,100)	(97,800)	(102,700)	(107,800)
Shared Services: Employee Benefit Reimb	(26,838)	(22,100)	**(23,200)**	(24,400)	(25,600)	(26,900)	(28,200)

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Line-Item Budget and Plan *(continued from previous page)*

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
883331 Info Technology Infrastructure	**19,358,848**	**22,381,000**	**23,704,600**	**24,171,400**	**24,646,800**	**25,103,500**	**25,569,200**
2.1 Salaries & Wages	**1,286,452**	**1,354,400**	**1,281,300**	**1,301,500**	**1,321,900**	**1,321,900**	**1,321,900**
2.4 Employee Benefits	**386,247**	**409,000**	**397,000**	**406,900**	**416,900**	**419,900**	**422,800**
4.2 Supplies & Other	**3,042,232**	**3,193,500**	**4,257,400**	**4,342,600**	**4,429,400**	**4,517,900**	**4,608,300**
Capital Outlay less than $5,000	99,902	-	**-**	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	-	772,900	**1,788,400**	1,824,200	1,860,700	1,897,900	1,935,900
Hardware Repairs & Maintenance	1,295,580	793,000	**808,900**	825,100	841,600	858,400	875,600
Memberships, Licenses & Subscriptions	3,201	-	**-**	-	-	-	-
Mileage and Parking	280	-	**-**	-	-	-	-
Postage	10	-	**-**	-	-	-	-
Software Repairs & Maintenance	1,641,834	1,597,000	**1,628,900**	1,661,500	1,694,700	1,728,600	1,763,200
Training and Internal Meetings	615	15,300	**15,600**	15,900	16,200	16,500	16,800
Travel	810	15,300	**15,600**	15,900	16,200	16,500	16,800
4.3 Contractual Services	**14,758,779**	**17,548,000**	**17,899,000**	**18,257,000**	**18,622,100**	**18,994,500**	**19,374,500**
Contract Services-Information Technology	-	414,100	**422,400**	430,800	439,400	448,200	457,200
Contractual Operating Services	522,273	2,460,500	**2,509,700**	2,559,900	2,611,100	2,663,300	2,716,600
Contractual Professional Services	84,471	400,000	**408,000**	416,200	424,500	433,000	441,700
Telecom, Managed Security & Network Svcs	14,152,035	14,273,400	**14,558,900**	14,850,100	15,147,100	15,450,000	15,759,000
5.2 Shared Services	**(114,862)**	**(123,900)**	**(130,100)**	**(136,600)**	**(143,500)**	**(150,700)**	**(158,300)**
Shared Services : Salaries & Wages Reimb	(81,972)	(88,500)	**(92,900)**	(97,500)	(102,400)	(107,500)	(112,900)
Shared Services: Employee Benefit Reimb	(32,890)	(35,400)	**(37,200)**	(39,100)	(41,100)	(43,200)	(45,400)
883341 Info Technology Business Productivity Systems	**4,448,289**	**5,298,300**	**5,161,400**	**5,262,500**	**5,392,900**	**5,469,700**	**5,548,000**
2.1 Salaries & Wages	**914,118**	**1,002,400**	**1,060,100**	**1,080,300**	**1,121,000**	**1,121,000**	**1,121,000**
2.4 Employee Benefits	**259,877**	**291,700**	**316,400**	**325,600**	**342,200**	**344,500**	**346,800**
2.5 Transition Services	**90,440**	**231,700**	**200,200**	**200,200**	**200,200**	**200,200**	**200,200**
Contractual Transition Services	90,440	231,700	**200,200**	200,200	200,200	200,200	200,200
4.2 Supplies & Other	**2,308,724**	**2,613,100**	**2,434,700**	**2,483,400**	**2,533,000**	**2,583,600**	**2,635,200**
Memberships, Licenses & Subscriptions	11,854	1,000	**1,000**	1,000	1,000	1,000	1,000
Mileage and Parking	315	300	**300**	300	300	300	300
Software Repairs & Maintenance	2,289,436	2,586,800	**2,418,400**	2,466,800	2,516,100	2,566,400	2,617,700
Training and Internal Meetings	125	15,000	**5,000**	5,100	5,200	5,300	5,400
Travel	6,994	10,000	**10,000**	10,200	10,400	10,600	10,800
4.3 Contractual Services	**875,130**	**1,159,400**	**1,150,000**	**1,173,000**	**1,196,500**	**1,220,400**	**1,244,800**
Contract Services-Information Technology	231,400	1,159,400	**925,000**	943,500	962,400	981,600	1,001,200
Contractual Professional Services	643,730	-	**225,000**	229,500	234,100	238,800	243,600

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Line-Item Budget and Plan *(continued from previous page)*

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
883351 Info Technology Enterprise Asset Mgmt Systems	**8,614,642**	**6,952,800**	**7,964,600**	**8,161,800**	**8,385,200**	**8,506,300**	**8,629,600**
2.1 Salaries & Wages	**1,657,214**	**1,784,600**	**1,800,000**	**1,860,000**	**1,940,000**	**1,940,000**	**1,940,000**
2.2 Workforce Development	**-**	**36,500**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**487,224**	**537,400**	**551,400**	**576,400**	**605,400**	**609,600**	**613,800**
4.2 Supplies & Other	**1,902,277**	**2,609,300**	**3,738,200**	**3,812,900**	**3,889,100**	**3,966,900**	**4,046,200**
Capital Outlay over $5k(O&M-NonCapitlzd)	452,037	350,400	**403,800**	411,800	420,000	428,400	437,000
Hardware Repairs & Maintenance	6,042	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	264	1,000	**500**	500	500	500	500
Mileage and Parking	343	500	**500**	500	500	500	500
Operating Supplies	52	-	**-**	-	-	-	-
Software Repairs & Maintenance	1,438,511	2,232,400	**3,318,400**	3,384,800	3,452,500	3,521,600	3,592,000
Training and Internal Meetings	475	15,000	**5,000**	5,100	5,200	5,300	5,400
Travel	4,553	10,000	**10,000**	10,200	10,400	10,600	10,800
4.3 Contractual Services	**4,567,927**	**1,985,000**	**1,875,000**	**1,912,500**	**1,950,700**	**1,989,800**	**2,029,600**
Contract Services-Information Technology	1,349,806	335,000	**575,000**	586,500	598,200	610,200	622,400
Contractual Operating Services	297,931	-	**-**	-	-	-	-
Contractual Professional Services	2,920,190	1,650,000	**1,300,000**	1,326,000	1,352,500	1,379,600	1,407,200
883361 Info Technology Security & Risk	**1,234,078**	**1,945,700**	**1,452,900**	**1,469,800**	**1,486,900**	**1,504,300**	**1,522,100**
2.1 Salaries & Wages	**436,778**	**497,900**	**510,900**	**510,900**	**510,900**	**510,900**	**510,900**
2.4 Employee Benefits	**117,215**	**139,200**	**145,000**	**146,000**	**146,900**	**147,800**	**148,700**
4.2 Supplies & Other	**171,239**	**1,032,400**	**357,000**	**364,100**	**371,300**	**378,700**	**386,200**
Capital Outlay less than $5,000	62,362	-	**-**	-	-	-	-
Capital Outlay over $5k(O&M-NonCapitlzd)	-	98,600	**95,000**	96,900	98,800	100,800	102,800
Memberships, Licenses & Subscriptions	705	4,000	**2,000**	2,000	2,000	2,000	2,000
Mileage and Parking	510	-	**-**	-	-	-	-
Software Repairs & Maintenance	98,499	926,700	**250,000**	255,000	260,100	265,300	270,600
Training and Internal Meetings	4,480	2,100	**5,000**	5,100	5,200	5,300	5,400
Travel	4,683	1,000	**5,000**	5,100	5,200	5,300	5,400
4.3 Contractual Services	**508,846**	**276,200**	**440,000**	**448,800**	**457,800**	**466,900**	**476,300**
Contract Services-Information Technology	192,612	-	**140,000**	142,800	145,700	148,600	151,600
Contractual Operating Services	316,234	276,200	**300,000**	306,000	312,100	318,300	324,700
Grand Total	**$ 41,211,648**	**$ 46,294,000**	**$ 48,082,200**	**$ 49,035,600**	**$ 50,029,500**	**$ 50,812,100**	**$ 51,609,800**

Security & Integrity

The Security & Integrity area provides high quality, professional security operations and technical intelligence for the organization and its valued customers throughout the state of Michigan.

Strategic Initiatives

- **Water Act 2018 Threat and Vulnerability Assessments (Ongoing)**
  Continue to assess all GLWA facilities for threats and vulnerabilities to meet the five-year requirements of the Water Act of 2018. Progress will be tracked by the Chief of Security and Integrity who will confirm each threat is addressed and vulnerabilities are eliminated.
- **Plan, design & implement a joint "Disaster Response Unit" (Ongoing/Completion in FY 2027)**
  The Security and Integrity area will work on a concept to plan, design, and implement a Disaster Response Unit. This concept consists of several distinct phases:
  - **Phase One –** Identify scope of response and type of equipment necessary to support and sustain responders to include vehicles. This phase started in FY 2020 with the initial purchase of a truck and a trailer and is 80% complete. This process will be complete once recruitment and training of the Disaster Response Team is accomplished.
  - **Phase Two -** Coordinate with the State of Michigan and Federal Emergency Management Agency to research requirements and certify GLWA as a Disaster Response team. This phase started in FY 2021 with the research of requirements and is 100% completed.
  - **Phase Three –** Identify training requirements and train members to standards. This phase is 100% complete.
  - **Phase Four –** Identify team makeup to include total team members and the minimum number to be deployed. This phase will be completed in FY 2026/27.
  - **Phase Five -** Identify policies and standard operating guidelines. This phase will be completed in FY 2026/27 and will require a review with General Counsel.
  - **Phase Six -** Recurring training to ensure competencies and maintain disciplines. This phase will be completed in FY 2026/27.
- **Conduct a Cyber-Security related Tabletop (Ongoing)**
  The Security & Integrity Group through the Office of Emergency Preparedness has worked with the Cybersecurity and Infrastructure Security Agency, to create a Cyber Security Tabletop Exercise that is Department of Homeland Security approved. Listed below is the proposed Tabletop Exercise:
  - Tabletop will be centered around ransomware.
  - IT, OD, Legal, Finance and other departments will be required participants in this tabletop, as all departments would be affected.
- **Implement CAD System (Completion FY 2026/27)**
  The implementation of a CAD (computer-aided dispatch) system in the Fusion Center would improve the efficiency of the Fusion Center by providing the call-taker with visual pertinent information of where the call is coming from and in many cases who the caller is, as well as

any notes on the caller and/or location (i.e., special needs and/or call history, hazardous materials, access). The visual information will allow the call-taker to focus on the information the caller is giving about the emergency, making response times faster. Having any special information about the specific site will also keep the officers and other first responders safe. They will bring the appropriate equipment and be better prepared for not only the emergency but the environment. To be completed by the end of FY 2027.

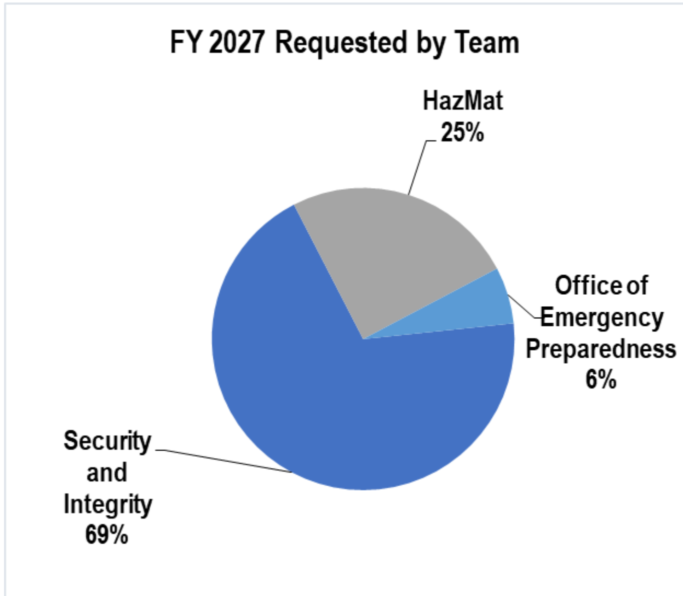
The following table shows how the Security & Integrity area strategic initiatives relate to the organizational strategic goals.

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Security & Integrity Strategic Initiatives	Water Act 2018 Threat and Vulnerability Assessments			x	x	x	x		x			
	Plan, design & implement a joint “Disaster Response Unit”			x		x				x		
	Conduct a Cyber-Security Tabletop									x	x	
	Implement CAD System				x	x	x	x	x			

Organization

The Security and Integrity area consists of three teams.

- **Security and Integrity**
  Provides high quality, professional security operations and technical intelligence for the organization and its valued customers throughout the state of Michigan.
- **HazMat**
  An in-house delivery service within the Security & Integrity Group that performs immediate response to all Level (1) Hazmat calls on the property of Water Resource Recovery Facility (WRRF). This team provides three main services: immediate response to all HazMat discharges at the WRRF, professional security operations for the Detroit Marine Terminal and confined space rescue standby for GLWA employees at WRRF.
- **Office of Emergency Preparedness**
  An in-house emergency preparedness team that works with GLWA operational areas, groups and teams to provide enhanced focus and preparation to address emergency situations, mitigate potential emergencies and threats to the utility, and assesses vulnerabilities for the utility.

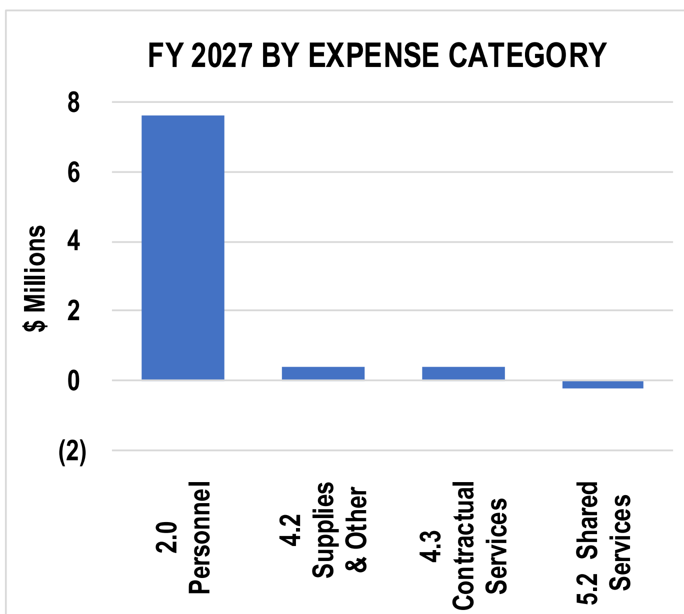


Expense Categories

There are four categories of Security and Integrity expenses in the operations and maintenance budget as listed below.

- Personnel
- Supplies & Other
- Contractual Services
- Shared Services

Personnel is the largest expense category for the Security and Integrity area.



Biennial Budget Request

The biennial budget reflects an overall decrease of $256,200 or 3.0%, in FY 2027.

- The Personnel category decreased by $283,500, due to a reduction in the FTE for unfilled positions including Security Lieutenant and Security Sargeant, including benefits. The $26,300 decrease in Supplies & Other is due to rightsizing of operating expense and projected training sessions to complement staffing count with compliance and industry standards.
- Contractual Services increased by $65,400 due to inflation costs and the use of contractual services with DA Central for building maintenance.
- The increase of $11,800 in shared services is based on anticipated allocation to DWSD.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 7,107,926	$ 7,876,200	$ 1,981,389	**$ 7,592,700**	**$ (283,500)**	**-3.6%**	$ 7,731,000
4.2 Supplies & Other	247,179	414,900	89,201	**388,600**	**(26,300)**	**-6.3%**	396,200
4.3 Contractual Services	550,744	348,700	45,261	**414,100**	**65,400**	**18.8%**	422,400
5.2 Shared Services	(280,510)	(235,700)	(70,122)	**(247,500)**	**(11,800)**	**5.0%**	(259,900)
Grand Total	**$ 7,625,339**	**$ 8,404,100**	**$ 2,045,729**	**$ 8,147,900**	**$ (256,200)**	**-3.0%**	**$ 8,289,700**

Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Security and Integrity	$ 5,355,400	$ 5,790,000	$ 1,412,487	**$ 5,630,400**	**$ (159,600)**	**-2.8%**	$ 5,763,600
HazMat	1,851,877	2,115,100	510,538	**2,023,800**	**(91,300)**	**-4.3%**	2,030,200
Office of Emergency Preparedness	418,062	499,000	122,704	**493,700**	**(5,300)**	**-1.1%**	495,900
Grand Total	**$ 7,625,339**	**$ 8,404,100**	**$ 2,045,729**	**$ 8,147,900**	**$ (256,200)**	**-3.0%**	**$ 8,289,700**

Personnel Budget

The Security and Integrity area consists of 90 staffing plan positions in FY 2027. One Security Officer position was added to facilitate the need at Water Operations. The FTE's were reduced in FY 2027 for unfilled positions for Security Sargeant, Security Lieutenant, three Security Officers and interns.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

Team Member Type	Staffing Plan						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**85.00**	**86.00**	**87.00**	**87.00**	**87.00**	**87.00**	**87.00**
Security and Integrity	61.00	63.00	64.00	64.00	64.00	64.00	64.00
HazMat	21.00	20.00	20.00	20.00	20.00	20.00	20.00
Office of Emergency Preparedness	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Intern	**0.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
Security and Integrity	0.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	**85.00**	**89.00**	**90.00**	**90.00**	**90.00**	**90.00**	**90.00**

Full-time Equivalents - The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (includes interns)

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Security and Integrity	60.25	64.50	**61.00**	63.00	64.00	64.00	64.00
HazMat	19.50	20.00	**19.00**	19.00	19.25	19.25	19.25
Office of Emergency Preparedness	3.00	3.00	**3.00**	3.00	3.00	3.00	3.00
Grand Total	**82.75**	**87.50**	**83.00**	**85.00**	**86.25**	**86.25**	**86.25**

Personnel Budget – The following tables presents the Security & Integrity personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Centralized Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 4,577,455	$ 5,281,300	$ 1,287,897	**$ 5,102,600**	**$ (178,700)**	**-3.4%**	$ 5,166,100
2.2 Workforce Development	24,686	109,500	8,306	**27,600**	**(81,900)**	**-74.8%**	54,800
2.3 Overtime	554,947	428,200	135,848	**398,100**	**(30,100)**	**-7.0%**	398,100
2.4 Employee Benefits	1,950,838	2,057,200	549,339	**2,064,400**	**7,200**	**0.3%**	2,112,000
Grand Total	**$ 7,107,926**	**$ 7,876,200**	**$ 1,981,389**	**$ 7,592,700**	**$ (283,500)**	**-3.6%**	**$ 7,731,000**

Personnel Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Security and Integrity	$ 4,904,153	$ 5,472,900	$ 1,389,903	**$ 5,255,600**	**$ (217,300)**	**-4.0%**	$ 5,388,800
HazMat	1,799,838	1,986,700	471,525	**1,920,300**	**(66,400)**	**-3.3%**	1,924,700
Office of Emergency Preparedness	403,935	416,600	119,961	**416,800**	**200**	**0.0%**	417,500
Grand Total	**$ 7,107,926**	**$ 7,876,200**	**$ 1,981,389**	**$ 7,592,700**	**$ (283,500)**	**-3.6%**	**$ 7,731,000**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 4,577,455	$ 5,281,300	**$ 5,102,600**	$ 5,166,100	$ 5,233,500	$ 5,233,500	$ 5,233,500
2.2 Workforce Development	24,686	109,500	**27,600**	54,800	54,800	54,800	54,800
2.3 Overtime	554,947	428,200	**398,100**	398,100	393,400	393,400	393,400
2.4 Employee Benefits	1,950,838	2,057,200	**2,064,400**	2,112,000	2,160,600	2,180,000	2,199,500
Grand Total	**$ 7,107,926**	**$ 7,876,200**	**$ 7,592,700**	**$ 7,731,000**	**$ 7,842,300**	**$ 7,861,700**	**$ 7,881,200**

Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Security and Integrity	$ 4,904,153	$ 5,472,900	**$ 5,255,600**	$ 5,388,800	$ 5,480,100	$ 5,494,400	$ 5,508,800
HazMat	1,799,838	1,986,700	**1,920,300**	1,924,700	1,944,000	1,948,400	1,952,800
Office of Emergency Preparedness	403,935	416,600	**416,800**	417,500	418,200	418,900	419,600
Grand Total	**$ 7,107,926**	**$ 7,876,200**	**$ 7,592,700**	**$ 7,731,000**	**$ 7,842,300**	**$ 7,861,700**	**$ 7,881,200**

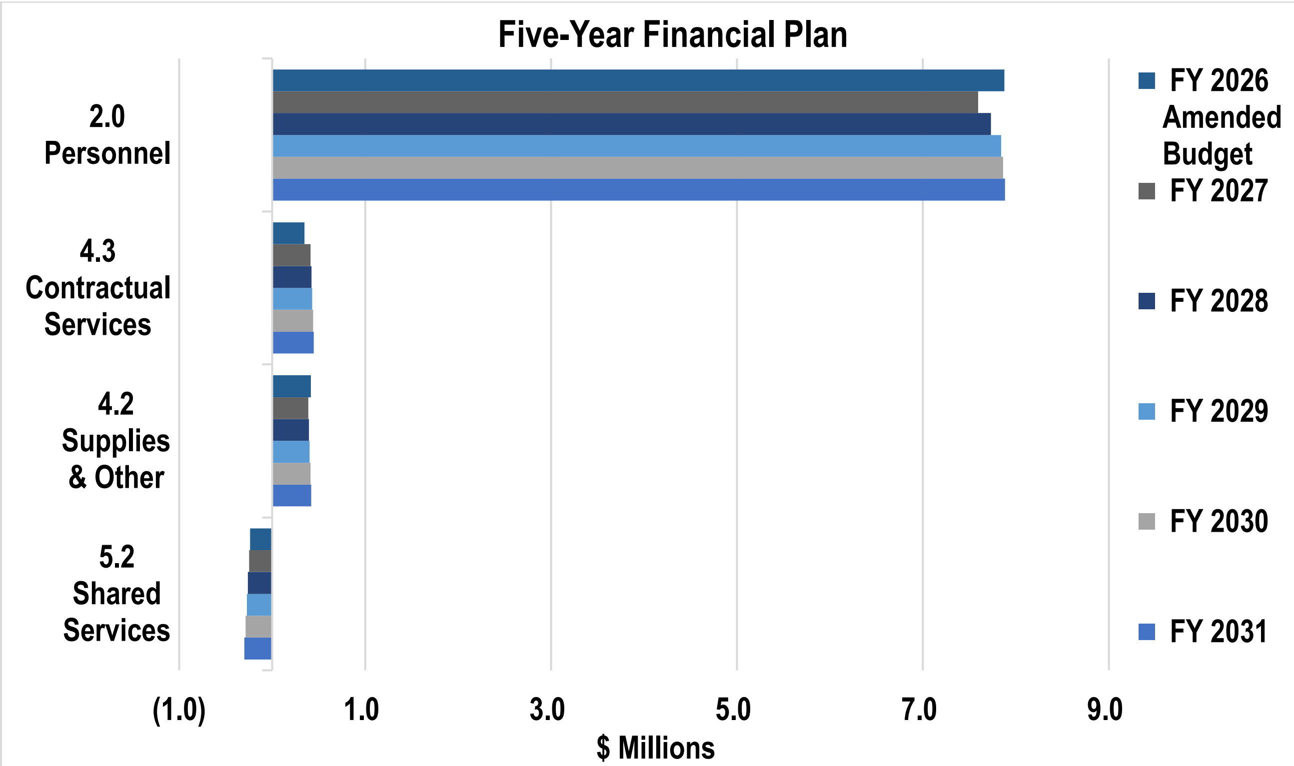
Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 7,107,926	$ 7,876,200	**$ 7,592,700**	$ 7,731,000	$ 7,842,300	$ 7,861,700	$ 7,881,200
4.2 Supplies & Other	247,179	414,900	**388,600**	396,200	403,900	411,900	420,100
4.3 Contractual Services	550,744	348,700	**414,100**	422,400	430,800	439,500	448,300
5.2 Shared Services	(280,510)	(235,700)	**(247,500)**	(259,900)	(272,900)	(286,500)	(300,900)
Grand Total	**$ 7,625,339**	**$ 8,404,100**	**$ 8,147,900**	**$ 8,289,700**	**$ 8,404,100**	**$ 8,426,600**	**$ 8,448,700**

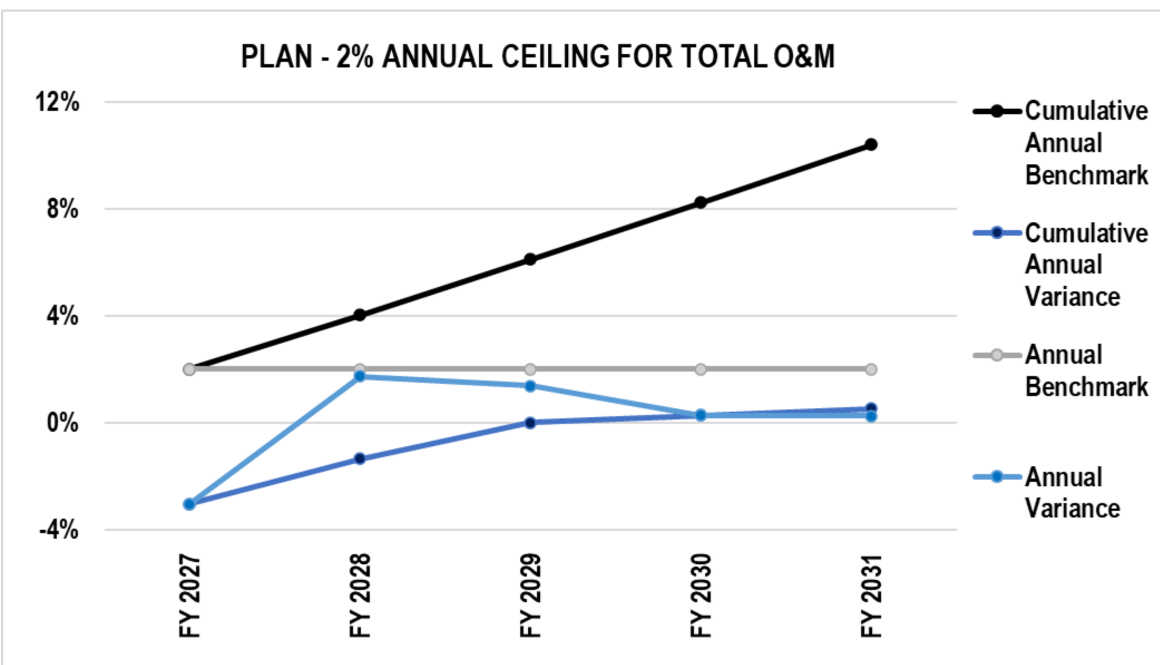
Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Security and Integrity	$ 5,355,400	$ 5,790,000	**$ 5,630,400**	$ 5,763,600	$ 5,854,400	$ 5,868,100	$ 5,881,400
HazMat	1,851,877	2,115,100	**2,023,800**	2,030,200	2,051,600	2,058,100	2,064,600
Office of Emergency Preparedness	418,062	499,000	**493,700**	495,900	498,100	500,400	502,700
Grand Total	**$ 7,625,339**	**$ 8,404,100**	**$ 8,147,900**	**$ 8,289,700**	**$ 8,404,100**	**$ 8,426,600**	**$ 8,448,700**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Security and Integrity area financial plan reflects a five-year overall increase of 0.5%, which is above the entity-wide goal of a cumulative ceiling of no more than 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

The Security and Integrity area capital outlay is funded by the Improvement & Extension (I&E) budget. Capital outlay shown for FY 2026 is for continuous improvements and upgrades to Access Readers and Security Gates for facility-wide access and entry points.

Five-Year Capital Outlay by Asset Category

Asset Category	Amended Budget	Proposed Budget		Projected		
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Hardware	120,000	-	-	-	-	-
Grand Total	**$ 120,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Funding Source

Funding Source	Actuals	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	-	120,000	-	-	-	-	-
Grand Total	**$ -**	**$ 120,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Team

Team	Actuals	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Security & Integrity	-	120,000	-	-	-	-	-
Grand Total	**$ -**	**$ 120,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
881201 Security and Integrity	**$ 5,355,400**	**$ 5,790,000**	**$ 5,630,400**	**$ 5,763,600**	**$ 5,854,400**	**$ 5,868,100**	**$ 5,881,400**
2.1 Salaries & Wages	**3,097,932**	**3,599,500**	**3,512,000**	**3,575,500**	**3,630,400**	**3,630,400**	**3,630,400**
2.2 Workforce Development	**24,686**	**109,500**	**27,600**	**54,800**	**54,800**	**54,800**	**54,800**
2.3 Overtime	**395,965**	**310,400**	**248,100**	**248,100**	**246,500**	**246,500**	**246,500**
2.4 Employee Benefits	**1,385,570**	**1,453,500**	**1,467,900**	**1,510,400**	**1,548,400**	**1,562,700**	**1,577,100**
4.2 Supplies & Other	**181,013**	**232,800**	**237,500**	**242,200**	**246,900**	**251,800**	**256,900**
Capital Outlay less than $5,000	24,125	54,000	**55,100**	56,200	57,300	58,400	59,600
Employee Uniform Expense	29,440	68,500	**69,900**	71,300	72,700	74,200	75,700
Equipment Repairs & Maintenance	1,257	-	**-**	-	-	-	-
Janitorial	172	-	**-**	-	-	-	-
Memberships, Licenses & Subscriptions	5,769	21,500	**21,900**	22,300	22,700	23,200	23,700
Mileage and Parking	1,367	200	**200**	200	200	200	200
Office Supplies	5,743	14,200	**14,500**	14,800	15,100	15,400	15,700
Operating Supplies	28,217	30,000	**30,600**	31,200	31,800	32,400	33,000
Postage	12	-	**-**	-	-	-	-
Printing	3,534	-	**-**	-	-	-	-
Training and Internal Meetings	24,928	15,200	**15,500**	15,800	16,100	16,400	16,700
Travel	12,520	25,500	**26,000**	26,500	27,000	27,500	28,100
Tuition Refund	3,929	3,700	**3,800**	3,900	4,000	4,100	4,200
Uniforms, Laundry, Cleaning	40,000	-	**-**	-	-	-	-
4.3 Contractual Services	**550,744**	**320,000**	**384,800**	**392,500**	**400,300**	**408,400**	**416,600**
Contractual Operating Services	269,745	308,600	**314,800**	321,100	327,500	334,100	340,800
Contractual Security Services	280,999	11,400	**70,000**	71,400	72,800	74,300	75,800
5.2 Shared Services	**(280,510)**	**(235,700)**	**(247,500)**	**(259,900)**	**(272,900)**	**(286,500)**	**(300,900)**
Shared Services : Salaries & Wages Reimb	(154,200)	(154,100)	**(161,800)**	(169,900)	(178,400)	(187,300)	(196,700)
Shared Services Reimbursement	(64,710)	(19,300)	**(20,300)**	(21,300)	(22,400)	(23,500)	(24,700)
Shared Services: Employee Benefit Reimb	(61,600)	(62,300)	**(65,400)**	(68,700)	(72,100)	(75,700)	(79,500)
881202 HazMat	**1,851,877**	**2,115,100**	**2,023,800**	**2,030,200**	**2,051,600**	**2,058,100**	**2,064,600**
2.1 Salaries & Wages	**1,167,209**	**1,361,000**	**1,271,900**	**1,271,900**	**1,284,400**	**1,284,400**	**1,284,400**
2.3 Overtime	**158,982**	**117,800**	**150,000**	**150,000**	**146,900**	**146,900**	**146,900**
2.4 Employee Benefits	**473,647**	**507,900**	**498,400**	**502,800**	**512,700**	**517,100**	**521,500**
4.2 Supplies & Other	**52,039**	**128,400**	**103,500**	**105,500**	**107,600**	**109,700**	**111,800**
Capital Outlay less than $5,000	950	33,200	**15,800**	16,100	16,400	16,700	17,000
Employee Uniform Expense	-	16,000	**7,000**	7,100	7,200	7,300	7,400
Equipment Repairs & Maintenance	1,660	17,000	**17,300**	17,600	18,000	18,400	18,800
Memberships, Licenses & Subscriptions	1,115	1,500	**1,500**	1,500	1,500	1,500	1,500
Mileage and Parking	910	-	**-**	-	-	-	-
Office Supplies	2,608	5,000	**5,100**	5,200	5,300	5,400	5,500
Operating Supplies	28,753	32,000	**32,600**	33,300	34,000	34,700	35,400
Training and Internal Meetings	9,784	17,700	**18,100**	18,500	18,900	19,300	19,700
Travel	6,259	6,000	**6,100**	6,200	6,300	6,400	6,500
881203 Office of Emergency Preparedness	**418,062**	**499,000**	**493,700**	**495,900**	**498,100**	**500,400**	**502,700**
2.1 Salaries & Wages	**312,314**	**320,800**	**318,700**	**318,700**	**318,700**	**318,700**	**318,700**
2.4 Employee Benefits	**91,621**	**95,800**	**98,100**	**98,800**	**99,500**	**100,200**	**100,900**
4.2 Supplies & Other	**14,127**	**53,700**	**47,600**	**48,500**	**49,400**	**50,400**	**51,400**
Memberships, Licenses & Subscriptions	220	8,500	**8,700**	8,900	9,100	9,300	9,500
Mileage and Parking	214	-	**-**	-	-	-	-
Office Supplies	1,173	2,000	**2,000**	2,000	2,000	2,000	2,000
Operating Supplies	5,250	6,500	**6,600**	6,700	6,800	6,900	7,000
Printing	202	-	**-**	-	-	-	-
Training and Internal Meetings	2,126	25,500	**20,000**	20,400	20,800	21,200	21,600
Travel	2,942	7,200	**7,300**	7,400	7,500	7,700	7,900
Tuition Refund	2,000	4,000	**3,000**	3,100	3,200	3,300	3,400
4.3 Contractual Services	**-**	**28,700**	**29,300**	**29,900**	**30,500**	**31,100**	**31,700**
Contractual Operating Services	-	28,700	**29,300**	29,900	30,500	31,100	31,700
Grand Total	**$ 7,625,339**	**$ 8,404,100**	**$ 8,147,900**	**$ 8,289,700**	**$ 8,404,100**	**$ 8,426,600**	**$ 8,448,700**

Great Lakes Water Authority

Section 5D
Administrative Services

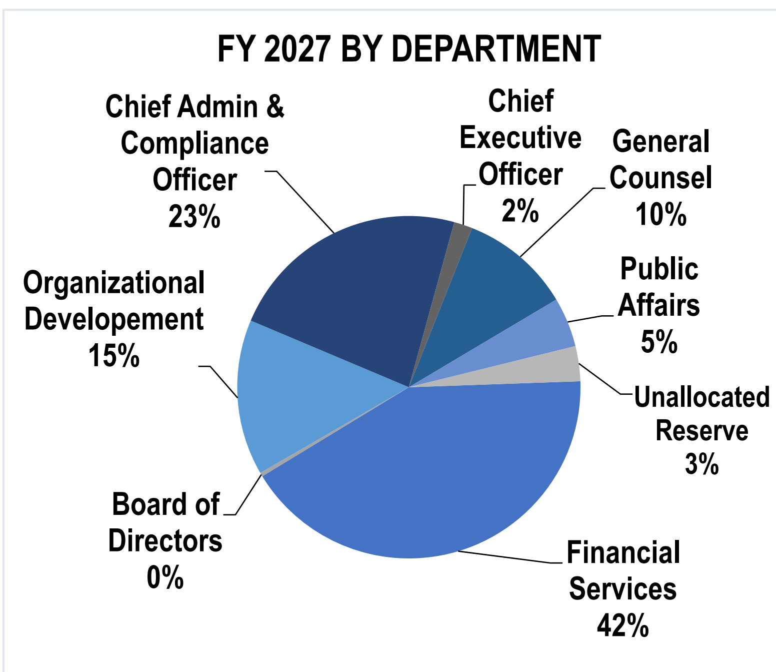
Administrative Services

The Administrative Services operating area serves both water and wastewater operations. The following departments are included in the Administrative Services operating area:

- Board of Directors
- Chief Executive Officer
- Chief Administrative and Compliance Officer (includes Risk Management & Safety and Insurance Fund)
- General Counsel
- Public Affairs
- Organizational Development (includes Training and Talent Management)
- Financial Services (Chief Financial Officer, Financial Reporting & Accounting, Financial Management & Planning, CFO Services, Treasury, Procurement Director, and Logistics and Materials)

Biennial Budget Request

The following tables consolidate the department budgets presented in this section for an overall view of the Administrative Services operating area compared to the FY 2026 Adopted and Amended Budget.



Biennial Budget Request by Expense Category

	FY 2025	FY 2026			FY 2027					FY 2028
		Adopted	Amended	Activity as of	Proposed	Dollar Variance to FY 2026		Percent Variance to FY 2026		Proposed
Expense Category	**Actual**	**Budget**	**Budget**	**09.30.2025**	**Budget**	**Adopted**	**Amended**	**Adopted**	**Amended**	**Budget**
2.1 Salaries & Wages	$ 17,888,851	$ 18,251,100	$ 19,002,100	$ 5,187,656	**$ 19,422,200**	**$ 1,171,100**	**$ 420,100**	**6.4%**	**2.2%**	$ 19,860,500
2.2 Workforce Development	74,247	197,100	197,100	41,283	**179,000**	**(18,100)**	**(18,100)**	**-9.2%**	**-9.2%**	206,200
2.3 Overtime	4,986	5,700	5,700	1,069	**5,800**	**100**	**100**	**1.8%**	**1.8%**	5,800
2.4 Employee Benefits	5,387,485	5,652,600	5,774,200	1,551,442	**6,061,800**	**409,200**	**287,600**	**7.2%**	**5.0%**	6,253,800
2.5 Transition Services	40,290	129,500	129,500	-	**23,000**	**(106,500)**	**(106,500)**	**-82.2%**	**-82.2%**	45,500
Total Personnel Costs	23,395,859	24,236,000	25,108,600	6,781,450	**25,691,800**	**1,455,800**	**583,200**	**6.0%**	**2.3%**	26,371,800
3.1 Electric	89,124	114,400	114,400	15,988	**116,700**	**2,300**	**2,300**	**2.0%**	**2.0%**	119,000
3.2 Gas	61,394	55,800	55,800	(897)	**72,300**	**16,500**	**16,500**	**29.6%**	**29.6%**	73,700
3.3 Sewage Service	1,894	25,100	25,100	499	**6,500**	**(18,600)**	**(18,600)**	**-74.1%**	**-74.1%**	6,600
3.4 Water Service	1,123	10,900	10,900	279	**4,100**	**(6,800)**	**(6,800)**	**-62.4%**	**-62.4%**	4,200
Total Utility Costs	153,535	206,200	206,200	15,870	**199,600**	**(6,600)**	**(6,600)**	**-3.2%**	**-3.2%**	203,500
4.2 Supplies & Other	2,168,674	2,666,800	2,666,800	688,389	**2,781,500**	**114,700**	**114,700**	**4.3%**	**4.3%**	2,824,000
4.3 Contractual Services	14,443,593	15,321,400	15,321,400	4,315,847	**15,597,600**	**276,200**	**276,200**	**1.8%**	**1.8%**	15,892,400
5.2 Shared Services	(178,731)	(184,400)	(174,400)	(40,467)	**(180,700)**	**3,700**	**(6,300)**	**-2.0%**	**3.6%**	(184,200)
7.0 Unallocated Reserve	-	847,800	-	-	**1,507,500**	**659,700**	**1,507,500**	**77.8%**	**100.0%**	2,555,100
Total Other Categories	16,433,536	18,651,600	17,813,800	4,963,769	**19,705,900**	**1,054,300**	**1,892,100**	**5.7%**	**10.6%**	21,087,300
Total Administrative Services (Operating Area D)	**$ 39,982,930**	**$ 43,093,800**	**$ 43,128,600**	**$ 11,761,089**	**$ 45,597,300**	**$ 2,503,500**	**$ 2,468,700**	**5.8%**	**5.7%**	**$ 47,662,600**

Five-Year Financial Plan

Five Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Adopted Budget FY 2026	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 17,888,851	$ 18,251,100	$ 19,002,100	**$ 19,422,200**	$ 19,860,500	$ 20,418,100	$ 20,418,100	$ 20,418,100
2.2 Workforce Development	74,247	197,100	197,100	**179,000**	206,200	224,400	224,400	224,400
2.3 Overtime	4,986	5,700	5,700	**5,800**	5,800	5,800	5,800	5,800
2.4 Employee Benefits	5,387,485	5,652,600	5,774,200	**6,061,800**	6,253,800	6,480,400	6,527,100	6,573,900
2.5 Transition Services	40,290	129,500	129,500	**23,000**	45,500	91,100	91,100	91,100
Total Personnel Costs	23,395,859	24,236,000	25,108,600	**25,691,800**	26,371,800	27,219,800	27,266,500	27,313,300
3.1 Electric	89,124	114,400	114,400	**116,700**	119,000	121,400	123,800	123,800
3.2 Gas	61,394	55,800	55,800	**72,300**	73,700	75,200	76,700	78,200
3.3 Sewage Service	1,894	25,100	25,100	**6,500**	6,600	6,700	6,800	6,900
3.4 Water Service	1,123	10,900	10,900	**4,100**	4,200	4,300	4,400	4,500
Total Utility Costs	153,535	206,200	206,200	**199,600**	203,500	207,600	211,700	213,400
4.2 Supplies & Other	2,168,674	2,666,800	2,666,800	**2,781,500**	2,824,000	2,877,700	2,935,200	2,988,200
4.3 Contractual Services	14,443,593	15,321,400	15,321,400	**15,597,600**	15,892,400	16,169,800	16,480,300	16,764,100
5.2 Shared Services	(178,731)	(184,400)	(174,400)	**(180,700)**	(184,200)	(188,000)	(191,900)	(196,000)
7.0 Unallocated Reserve	-	847,800	-	**1,507,500**	2,555,100	3,653,000	4,765,600	5,762,500
Total Other Categories	16,433,536	18,651,600	17,813,800	**19,705,900**	21,087,300	22,512,500	23,989,200	25,318,800
Total Administrative Services (Operating Area D)	**$ 39,982,930**	**$ 43,093,800**	**$ 43,128,600**	**$ 45,597,300**	**$ 47,662,600**	**$ 49,939,900**	**$ 51,467,400**	**$ 52,845,500**
Changes in Annual Operations & Maintenance Budget				*5.8%*	*4.5%*	*4.8%*	*3.1%*	*2.7%*

Cost Allocation

Administrative Services expenses are allocated to the water and wastewater operating areas based upon a two-step approach.

- ✓ Step One - Specific: Specifically, identifiable costs to either water or wastewater are isolated for allocation directly to the appropriate system. These costs are tracked at the vendor contract level and through the review of specific invoices.
- ✓ Step Two - Pooled: The remaining costs, net of those specifically identified in Step One, are allocated using a percentage basis. The allocation percentage between water and wastewater (sewer) is reviewed annually. That effort includes a detailed review of both the budget and actual activity for each of the functional areas. Members of the finance and operations teams work together to determine the percentage allocation of support provided to the water and wastewater (sewer) systems. In addition to the annual reviews, mid-year reviews are conducted when changes in operations occur and when new vendor contracts are executed.

The following tables present the dollar amount allocated to each system based on the analysis of expenses by cost center for both the biennial and five-year budget periods. The variance columns are the charge from the FY 2026 amended budget.

Biennial Cost Allocation Summary

	FY 2025	FY 2026			FY 2027			FY 2028
Operations Area	**Actual**	**Adopted Budget**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
Administrative Services								
Water	$ 18,431,448	$ 19,951,700	$ 19,972,300	$ 5,583,024	**$ 21,090,800**	**$1,118,500**	**5.6%**	$ 22,089,500
Wastewater	21,551,487	23,142,100	23,156,300	6,178,065	**24,506,500**	**1,350,200**	**5.8%**	25,573,100
Grand Total	**$ 39,982,935**	**$ 43,093,800**	**$ 43,128,600**	**$ 11,761,089**	**$ 45,597,300**	**$2,468,700**	**5.7%**	**$ 47,662,600**

Five Year Cost Allocation Summary

	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Operations Area	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Administrative Services								
Water	$ 18,431,448	$ 19,951,700	$ 19,972,300	**$ 21,090,800**	$ 22,089,500	$ 23,193,300	$ 23,921,400	$ 24,573,900
Wastewater	21,551,487	23,142,100	23,156,300	**24,506,500**	25,573,100	26,746,600	27,546,000	28,271,600
Grand Total	**$ 39,982,935**	**$ 43,093,800**	**$ 43,128,600**	**$ 45,597,300**	**$ 47,662,600**	**$ 49,939,900**	**$ 51,467,400**	**$ 52,845,500**
Changes in Annual Operations & Maintenance Budget				*5.8%*	*4.5%*	*4.8%*	*3.1%*	*2.7%*

The following table presents the projected allocation percentages for the five-year period 2027 through 2031.

Five Year Projected Cost Allocated Percentages

	Actual	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Operations Area	**FY 2025**	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Administrative Services								
Water	46.1%	46.3%	46.3%	**46.3%**	46.3%	46.4%	46.5%	46.5%
Wastewater	53.9%	53.7%	53.7%	**53.7%**	53.7%	53.6%	53.5%	53.5%
Grand Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The following table lists the Administrative Services split between the Specific (Step One) and Pooled (Step Two) costs.

Five Year Cost Allocation by Cost Type

	Adopted Budget	Amended Budget	Proposed Budget		Projected		
Allocation Cost Type	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Administrative - Specific	$ 689,200	$ 689,200	**$ 703,000**	$ 717,100	$ 731,400	$ 746,000	$ 760,900
Administrative - Pooled	42,404,600	42,439,400	**44,894,300**	46,945,500	49,208,500	50,721,400	52,084,600
Grand Total	**$ 43,093,800**	**$ 43,128,600**	**$ 45,597,300**	**$ 47,662,600**	**$ 49,939,900**	**$ 51,467,400**	**$ 52,845,500**

The following table lists the Administrative Services significant contracts and cost centers that receive specific water and/or sewer accounting treatment as noted in Step One above.

Administrative Services Water/Sewer Specific Contracts – 100% allocation to Sewer

Cost Center	Contract	Vendor	Description of Service	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Allocation
Logistics & Materials	2100822	Family Associates, LLC	Mevindale Warehouse Rental	$ 534,100	$ 544,800	$ 555,700	$ 566,800	$ 578,100	Sewer
	47003990009300	City of Melvindale	Property Taxes	163,200	166,500	169,800	173,200	176,700	Sewer
	Not Applicable	Various	Building Maintenance	5,700	5,800	5,900	6,000	6,100	Sewer
Total				**$ 703,000**	**$ 717,100**	**$ 731,400**	**$ 746,000**	**$ 760,900**	Sewer

Administrative Services Water/Sewer Pooled Cost Center Allocations not 50/50% split

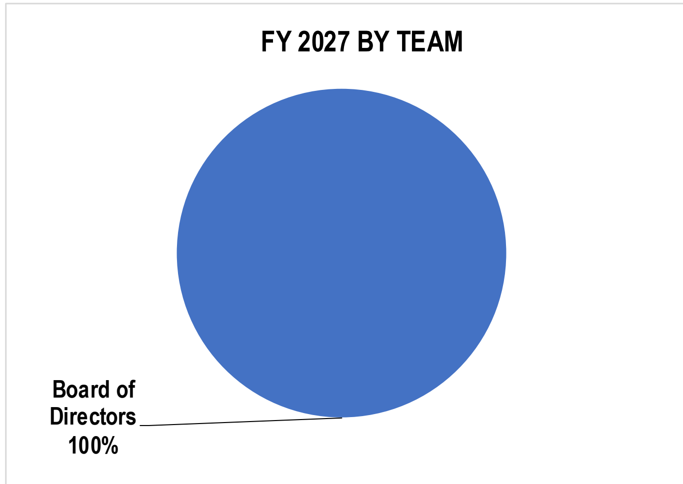
Cost Center	Cost Center Description	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Allocation
883411	Enterprice Risk Management Insurance Fund	$ 6,798,600	$ 6,934,600	$ 7,073,300	$ 7,214,800	$ 7,359,100	W/S - 30/70%

Board of Directors

The GLWA governing body is made up of representatives from the surrounding counties to set policies that help GLWA execute its mission and vision to ensure GLWA is a provider of choice for water and wastewater services in southeast Michigan.

Organization

The Board of Directors is composed of six voting members. Two members are residents of the City of Detroit and are appointed by the mayor of the city. The counties of Wayne, Oakland, and Macomb each appoint one member who is a resident of the county from which they are appointed. The Governor of the State of Michigan appoints one member who is a resident of an area served by GLWA that is outside of the three counties.



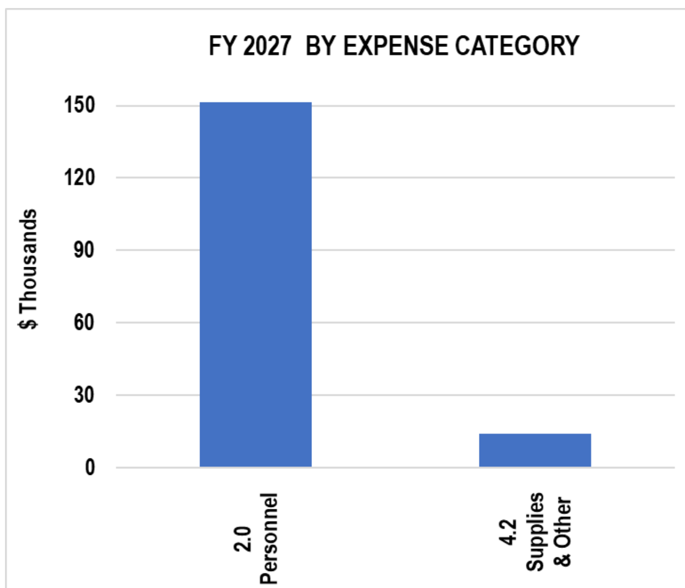
Expense Categories

The primary expense in the Board of Directors area is Personnel costs.

This is the category in which the Board's stipends are recorded. A budget to actual variance is recognized when a Board member opts out of receiving the monthly stipend.

Supplies & Other is the other expenditure category which includes the following expenses:

- Memberships, Licenses & Subscriptions
- Travel
- Training & Internal Meetings



Biennial Budget Request

The biennial budget reflects a increase of $3,200, or 2.0%, in FY 2027. There is no change in the Personnel category.

- Personnel - FY 2027 assumes 100% participation in the stipend for Board members. The budget is amended during the current year if Board members opt out of receiving the monthly stipend.
- Supplies & Other – The FY 2027 Budget increased by $3,200 or 29.6% due to higher anticipated mileage, parking, travel, and office supplies.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 144,900	$ 151,200	$ 52,200	**$ 151,200**	**$ -**	**0.0%**	$ 151,200
4.2 Supplies & Other	9,340	10,800	4,911	**14,000**	**3,200**	**29.6%**	14,000
Grand Total	**$ 154,240**	**$ 162,000**	**$ 57,111**	**$ 165,200**	**$ 3,200**	**2.0%**	**$ 165,200**

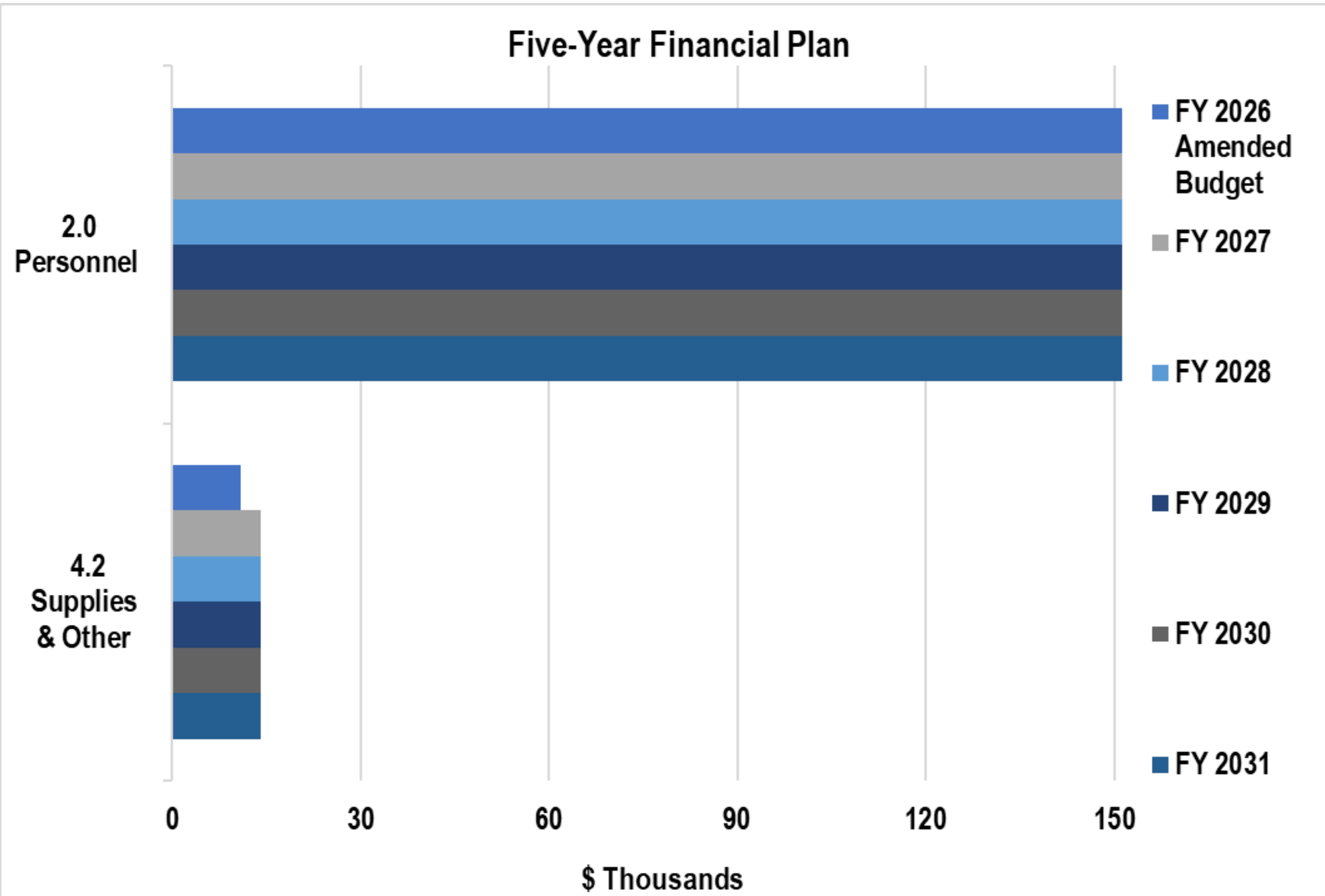
Personnel Budget

The Board of Directors' area is not reported in the GLWA Staffing Plan and Full-time Equivalents tables.

Five-Year Financial Plan

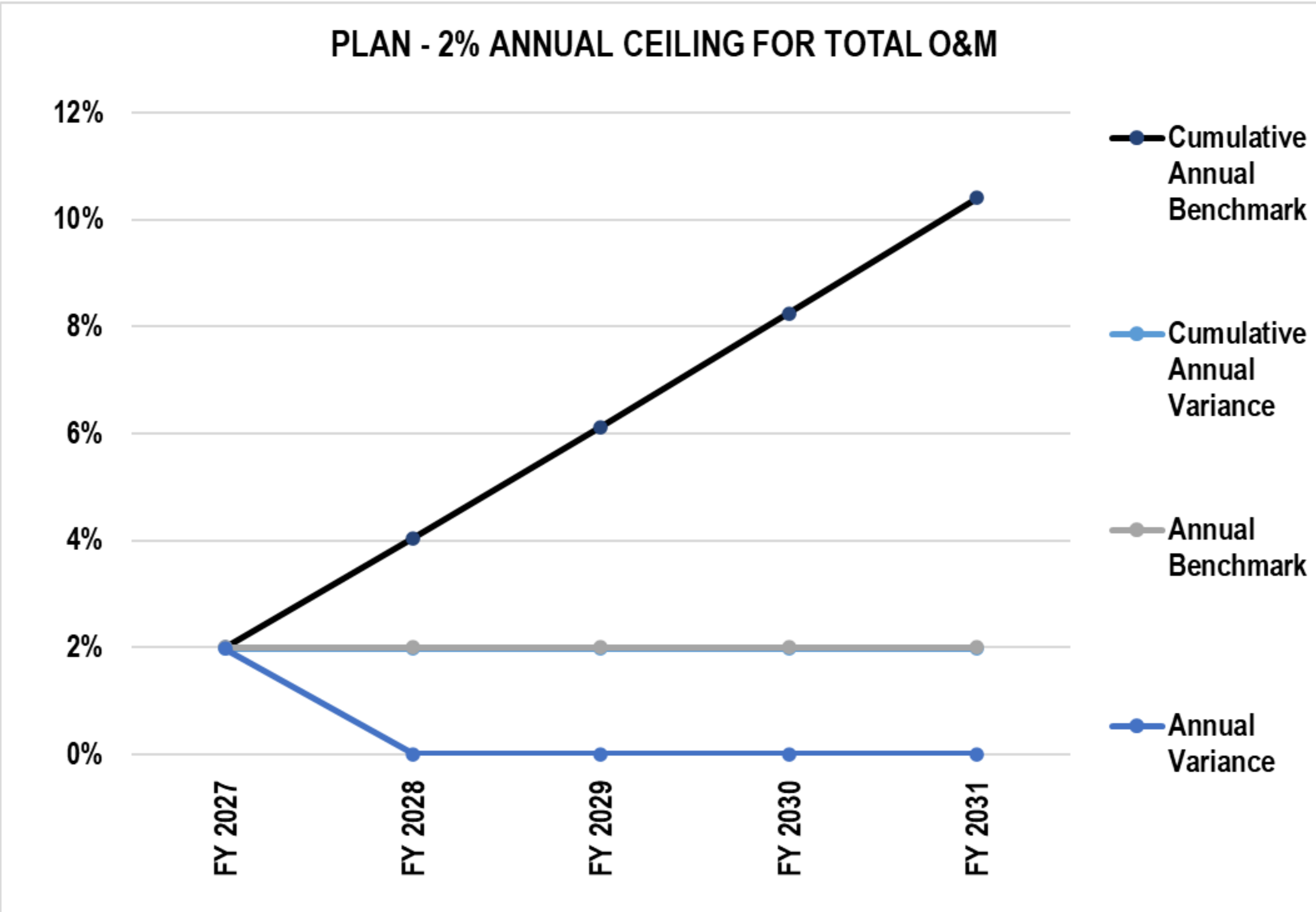
Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 144,900	$ 151,200	**$ 151,200**	$ 151,200	$ 151,200	$ 151,200	$ 151,200
4.2 Supplies & Other	9,340	10,800	**14,000**	14,000	14,000	14,000	14,000
Grand Total	**$ 154,240**	**$ 162,000**	**$ 165,200**	**$ 165,200**	**$ 165,200**	**$ 165,200**	**$ 165,200**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Board of Directors' financial plan reflects a five-year overall increase of 2.0% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



Note the Annual Benchmark and Cumulative Annual Variance are the same line in the graph.

Capital Outlay

Capital Outlay is not a component of the Board of Directors' area.

Line-Item Budget and Financial Plan

The Board of Directors five-year plan by line-item expense is listed below. Because many of GLWA's initiatives span multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
881151 Board of Directors							
2.1 Salaries & Wages	**144,900**	**151,200**	**151,200**	**151,200**	**151,200**	**151,200**	**151,200**
4.2 Supplies & Other	**9,340**	**10,800**	**14,000**	**14,000**	**14,000**	**14,000**	**14,000**
Memberships, Licenses & Subscriptions	-	1,000	1,000	1,000	1,000	1,000	1,000
Mileage and Parking	2,860	-	3,000	3,000	3,000	3,000	3,000
Office Supplies	-	1,000	-	-	-	-	-
Training and Internal Meetings	-	4,000	4,000	4,000	4,000	4,000	4,000
Travel	6,480	4,800	6,000	6,000	6,000	6,000	6,000
Grand Total	**$ 154,240**	**$ 162,000**	**$ 165,200**	**$ 165,200**	**$ 165,200**	**$ 165,200**	**$ 165,200**

Chief Executive Officer

The Chief Executive Officer is responsible for the day-to-day supervision and management of the affairs of the utility, including establishing and delineating organizational goals and objectives which further GLWA's mission and vision.

Strategic Initiatives

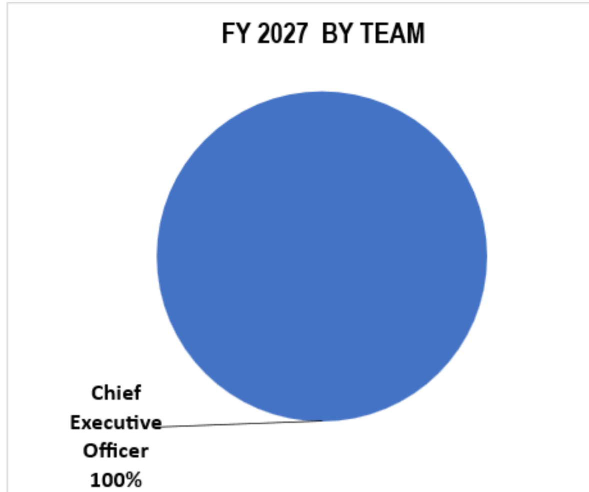
In conjunction with the GLWA Board, the Chief Executive Officer's initiatives are established and span multiple years. These initiatives speak to the values that are foundational to the establishment of GLWA.

- Environmental Regulatory Compliance (Ongoing)
- Financial Resiliency and Charge Equity and Stability (Ongoing)
- Capital and Operational Utility Optimization (Ongoing)
- Member Partner Engagement and Satisfaction (Ongoing)
- GLWA Team Member Support and Retention (Ongoing)
- Commitment to Affordability, Equity, and Inclusion (Ongoing)
- Application of principles of Effective Utility Management (EUM) (Ongoing)

The following table shows how the Chief Executive Officer's initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Chief Executive Officer Strategic Initiatives	Environmental Regulatory Compliance	x	x	x				x	x			x
	Financial Resiliency and Charge Equity Stability	x	x					x	x	x		x
	Capital and Operational Utility Optimization	x	x	x	x	x	x	x	x			x
	Member Partner Engagement and Satisfaction						x	x	x	x		x
	GLWA Team Member Support and Retention		x	x	x	x	x	x	x	x	x	x
	Commitment to Affordability, Equity, and Inclusion	x	x				x	x	x			x
	Application of principles of Effective Utility Management (EUM)	x	x	x	x	x	x	x	x	x	x	x

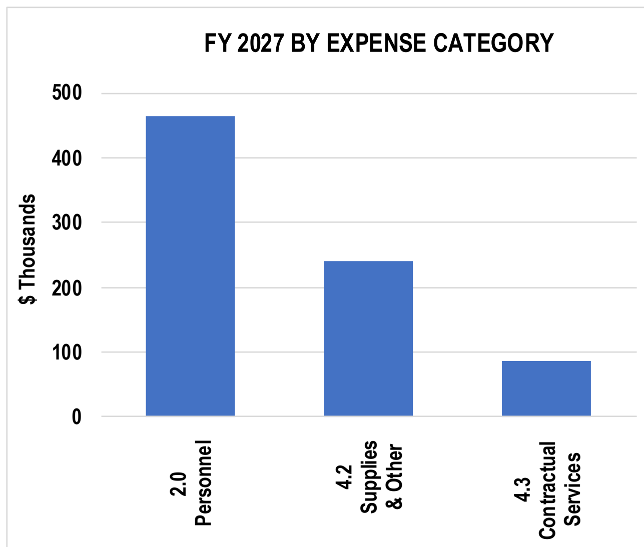
Organization
The Chief Executive Officer's area has one team.



Expense Categories
The Chief Executive Officer's area consists of three expense categories:

- ❖ Personnel
- ❖ Supplies & Other
- ❖ Contractual Services

Based upon the nature of this service area, the largest expense category is Personnel costs. The second largest, Supplies & Other, includes organizational memberships, training, and includes the contract with Park Rite for parking spaces.



Biennial Budget Request
The biennial budget reflects an increase of $6,300, or 0.8%, in FY 2027.

- ❖ Personnel increased 2.3 % or $10,300 for merit increases which occurred in FY 2026.
- ❖ Supplies & Other increased 1.7% or $4,000 to cover the increase in the corporate membership fees for both the National Association of Clean Water and the Association of Metropolitan Water.
- ❖ Contractual Services decreased 8.5% or $8,000 for decreased leadership consulting.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 475,873	$ 455,200	$ 141,419	**$ 465,500**	**$ 10,300**	**2.3%**	$ 465,900
4.2 Supplies & Other	230,325	236,500	51,187	**240,500**	**4,000**	**1.7%**	243,600
4.3 Contractual Services	139,167	94,000	41,750	**86,000**	**(8,000)**	**-8.5%**	87,400
Grand Total	**$ 845,365**	**$ 785,700**	**$ 234,357**	**$ 792,000**	**$ 6,300**	**0.8%**	**$ 465,900**

Personnel Budget

The staffing plan provides for the Chief Executive Officer and administrative support. This is consistent with the staffing plans of prior years.

Staffing Plan – The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

	Staffing Plan						
Operating Area and Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular							
Chief Executive Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

Full Time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the Staffing Plan and the FTEs are the same.

Full Time Equivalents

	FTE						
Operating Area and Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Executive Officer	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

Personnel Budget - The following tables present the Chief Executive Officer's personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.1 Salaries & Wages	$ 390,420	$ 369,800	$ 115,842	**$ 377,100**	**$ 7,300**	**2.0%**	$ 377,100
2.4 Employee Benefits	85,453	85,400	25,577	**88,400**	**3,000**	**3.5%**	88,800
Grand Total	**$ 475,873**	**$ 455,200**	**$ 141,419**	**$ 465,500**	**$ 10,300**	**2.3%**	**$ 465,900**

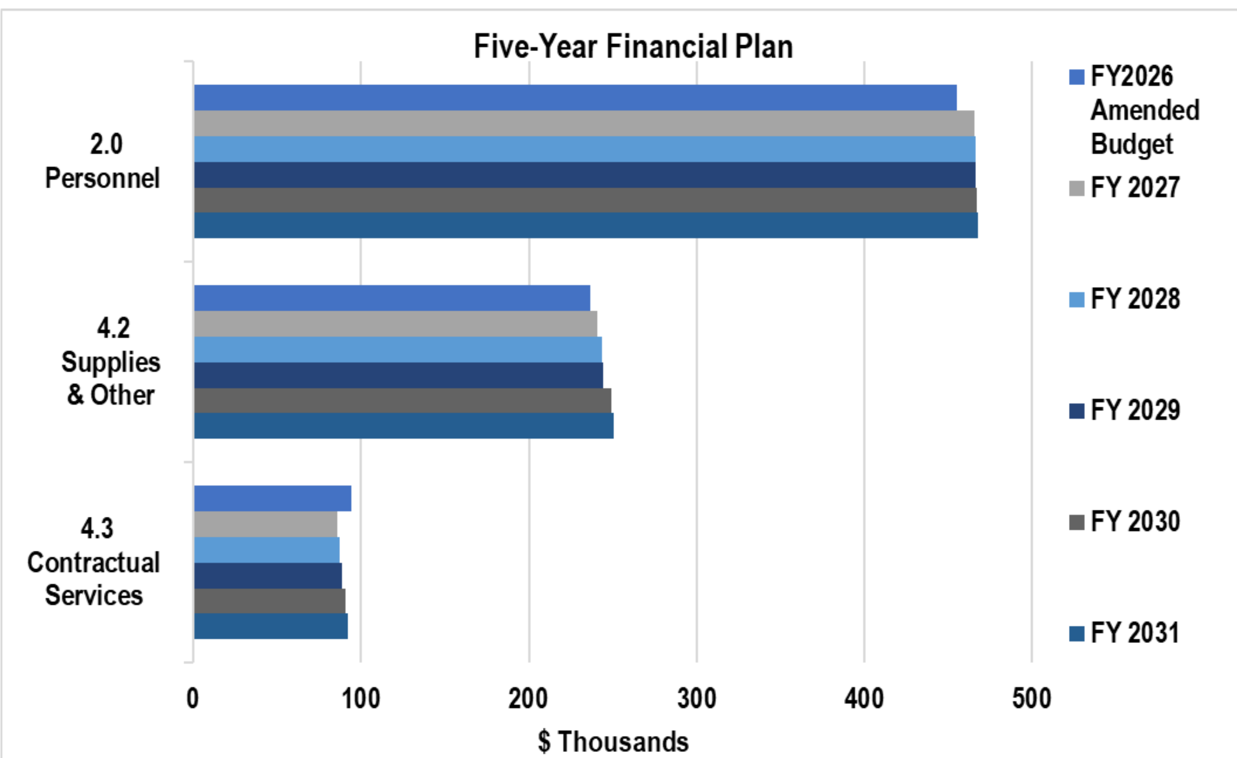
Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 390,420	$ 369,800	**$ 377,100**	$ 377,100	$ 377,100	$ 377,100	$ 377,100
2.4 Employee Benefits	85,453	85,400	**88,400**	88,800	89,300	89,800	90,200
Grand Total	**$ 475,873**	**$ 455,200**	**$ 465,500**	**$ 465,900**	**$ 466,400**	**$ 466,900**	**$ 467,300**

Five-Year Financial Plan

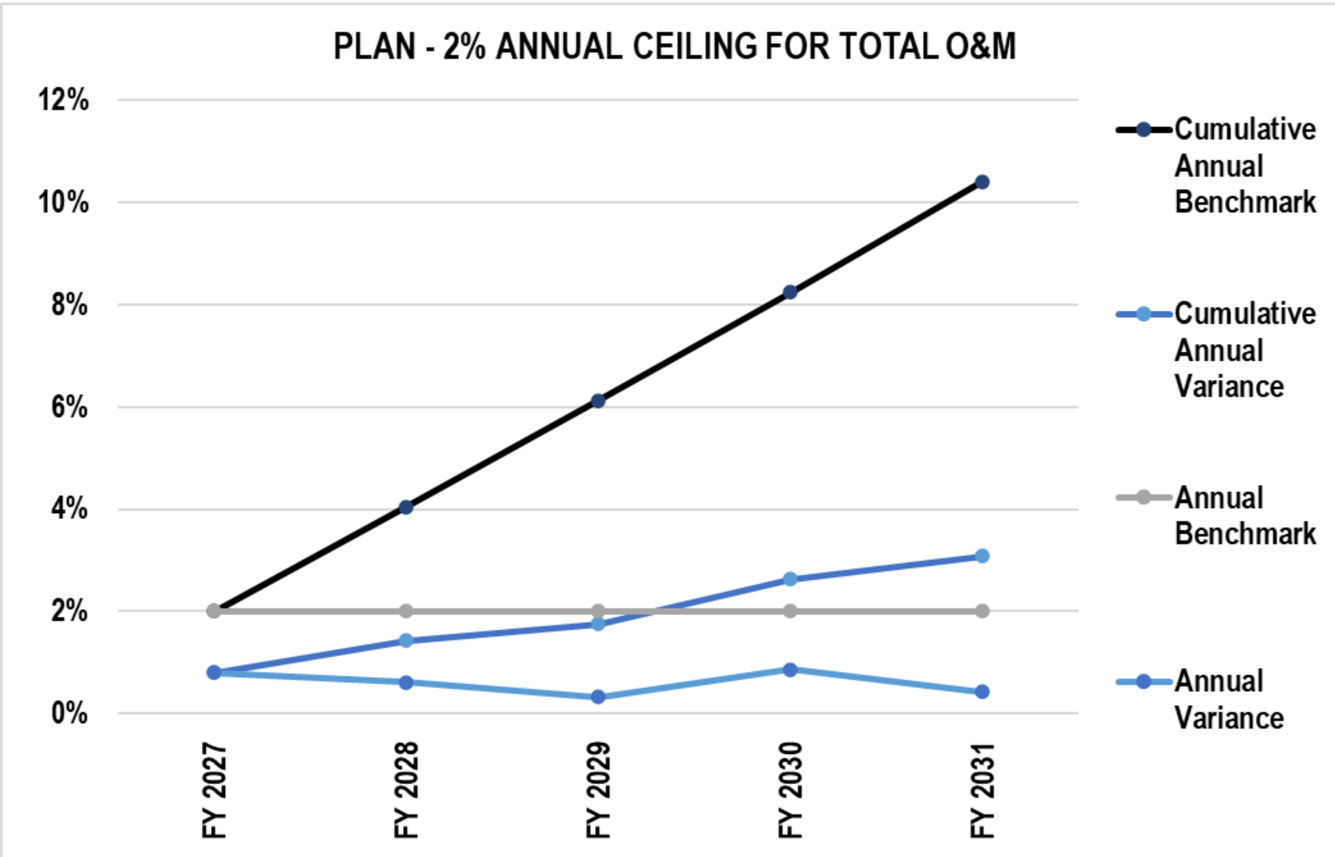
Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 475,873	$ 455,200	**$ 465,500**	$ 465,900	$ 466,400	$ 466,900	$ 467,300
4.2 Supplies & Other	230,325	236,500	**240,500**	243,600	244,200	249,100	250,700
4.3 Contractual Services	139,167	94,000	**86,000**	87,400	88,900	90,400	91,900
Grand Total	**$ 845,365**	**$ 785,700**	**$ 792,000**	**$ 796,900**	**$ 799,500**	**$ 806,400**	**$ 809,900**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Chief Executive Officer's financial plan reflects a five-year overall increase of 3.1% while the entity-wide goal is a cumulative 10.4% ceiling for planning purposes based upon an annual 2% adjustment.



Capital Outlay

Capital Outlay is not a component of the Chief Executive Officer Area.

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
881001 Chief Executive Officer							
2.1 Salaries & Wages	**$ 390,420**	**$ 369,800**	**$ 377,100**	**$ 377,100**	**$ 377,100**	**$ 377,100**	**$ 377,100**
2.4 Employee Benefits	**85,453**	**85,400**	**88,400**	**88,800**	**89,300**	**89,800**	**90,200**
4.2 Supplies & Other	**230,325**	**236,500**	**240,500**	**243,600**	**244,200**	**249,100**	**250,700**
Memberships, Licenses & Subscriptions	128,975	136,400	139,100	141,900	144,800	147,700	147,700
Mileage and Parking	83,200	80,200	76,800	76,800	78,300	79,900	81,500
Office Supplies	3,320	4,000	4,100	4,200	4,300	4,400	4,400
Postage	91	100	100	100	100	100	100
Training and Internal Meetings	9,243	5,600	10,000	10,000	5,900	6,000	6,000
Travel	5,496	10,200	10,400	10,600	10,800	11,000	11,000
4.3 Contractual Services	**139,167**	**94,000**	**86,000**	**87,400**	**88,900**	**90,400**	**91,900**
Contractual Professional Services	139,167	94,000	86,000	87,400	88,900	90,400	91,900
Grand Total	**$ 845,365**	**$ 785,700**	**$ 792,000**	**$ 796,900**	**$ 799,500**	**$ 806,400**	**$ 809,900**

Chief Administrative and Compliance Officer

The Chief Administrative and Compliance Officer area supports the ongoing labor negotiations throughout GLWA.

Strategic Initiatives

- **Support GLWA's Cooperative Labor-Management Relationship (Ongoing)**
  Focus on expansion of safety teams; identify and acknowledge safe work performance. This strategic initiative is measured by the success of negotiations and implementation of the Collective Bargaining Agreement along with quick resolution of any unfair labor practice complaints.
- **Continue Build Out of Legislative Relations team (Ongoing)**
  Establish and support annual legislative agenda for the utility.
- **Support multi-area change management throughout the utility (Ongoing)**
  Provide leadership support for large multi-area initiatives.

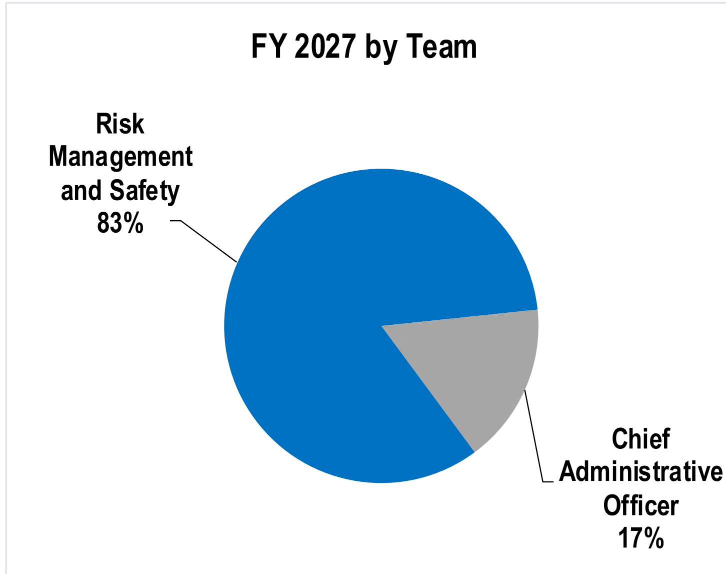
The following table shows how the Chief Administrative and Compliance Officer area strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Chief Administrative Officer Strategic Initiatives	Support GLWA's Cooperative Labor-Management Relationship						x					
	Continue Build Out of Legislative Relations team						x		x	x		x
	Support multi-area change management throughout the utility				x			x	x		x	x

Organization

The Chief Administrative and Compliance Officer (CACO) area consists of two teams.

- **Chief Administrative Officer**
  Provides support to the Board of Directors and the Chief Executive Officer. The Office provides coordinative services and administrative support to Enterprise Risk Management, Organizational Development, General Counsel, and Information Technology.
- **Risk Management and Safety**
  Responsible for a process, established by GLWA's Board of Directors and management, which is designed to identify potential events that may affect the Authority, and to manage risk within its risk appetite to provide reasonable assurance regarding the achievement of GLWA's objectives.



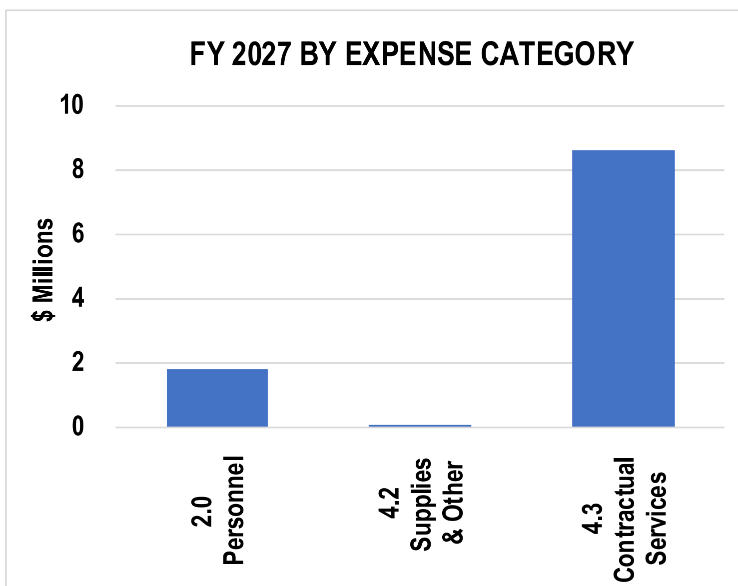
Expense Categories

There are three expense categories within the Chief Administrative and Compliance Officer area in the operations and maintenance budget:

- Personnel
- Supplies & Other
- Contractual Services

Contractual Services represent the largest expense category for FY 2027. The contractual services account encompasses three major contracts:

- government relation services
- environmental, safety, and response services, and
- staff development.



Biennial Budget Request

The biennial budget reflects an overall decrease of $50,500, or 0.5%, in FY 2027.

- Personnel decreased by $33,300 due to decrease in FTE's for unfilled positions for Manager and Management Professional.
- Contractual services decreased by $18,800 to reflect projected expenses for consulting services.
- Supplies and other increased by $1,600 based on projected supplies needed.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 1,461,097	$ 1,804,100	$ 380,139	**$ 1,770,800**	**$ (33,300)**	**-1.8%**	$ 1,905,900
4.2 Supplies & Other	55,750	74,700	32,630	**76,300**	**1,600**	**2.1%**	78,000
4.3 Contractual Services	7,719,569	8,617,000	2,038,561	**8,598,200**	**(18,800)**	**-0.2%**	8,770,200
Grand Total	**$ 9,236,416**	**$ 10,495,800**	**$ 2,451,330**	**$ 10,445,300**	**$ (50,500)**	**-0.5%**	**$ 10,754,100**

Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Administrative Officer	$ 1,198,629	$ 2,170,300	$ 283,171	**$ 1,727,700**	**$ (442,600)**	**-20.4%**	$ 1,743,500
Risk Management and Safety	8,037,787	8,325,500	2,168,159	**8,717,600**	**392,100**	**4.7%**	9,010,600
Grand Total	**$ 9,236,416**	**$ 10,495,800**	**$ 2,451,330**	**$ 10,445,300**	**$ (50,500)**	**-0.5%**	**$ 10,754,100**

Personnel Budget

The Chief Administrative and Compliance Officer area consists of 16 positions for FY 2027.

Staffing Plan – The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions

	Staffing Plan						
Team Member Type	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
883001 - Chief Administrative Officer	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**	**7.00**
Regular	7.00	7.00	**7.00**	7.00	7.00	7.00	7.00
883401 - Enterprise Risk Management and Safety	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**
Regular	8.00	8.00	**8.00**	8.00	8.00	8.00	8.00
Transitional Contractor	1.00	1.00	**1.00**	1.00	1.00	1.00	1.00
Grand Total	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**	**16.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Chief Administrative Officer	4.75	4.75	**5.50**	5.50	6.25	6.25	6.25
Risk Management and Safety	6.75	7.50	**6.00**	7.00	8.50	8.50	8.50
Grand Total	**11.50**	**12.25**	**11.50**	**12.50**	**14.75**	**14.75**	**14.75**

Personnel Budget - The table below presents the Chief Administrative and Compliance Officer area personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 1,141,941	$ 1,334,600	$ 295,275	**$ 1,355,800**	**$ 21,200**	**1.6%**	$ 1,440,200
2.4 Employee Benefits	319,156	378,400	84,864	**392,000**	**13,600**	**3.6%**	420,200
2.5 Transition Services	-	91,100	-	**23,000**	**(68,100)**	**-74.8%**	45,500
Grand Total	**$ 1,461,097**	**$ 1,804,100**	**$ 380,139**	**$ 1,770,800**	**$ (33,300)**	**-1.8%**	**$ 1,905,900**

Personnel – Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Chief Administrative Officer	$ 731,108	$ 864,400	$ 206,947	**$ 1,008,000**	**$ 143,600**	**16.6%**	$ 1,009,300
Risk Management and Safety	729,989	939,700	173,192	**762,800**	**(176,900)**	**-18.8%**	896,600
Grand Total	**$ 1,461,097**	**$ 1,804,100**	**$ 380,139**	**$ 1,770,800**	**$ (33,300)**	**-1.8%**	**$ 1,905,900**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 1,141,941	$ 1,334,600	**$ 1,355,800**	$ 1,440,200	$ 1,652,200	$ 1,652,200	$ 1,652,200
2.4 Employee Benefits	319,156	378,400	**392,000**	420,200	485,700	488,800	492,000
2.5 Transition Services	-	91,100	**23,000**	45,500	91,100	91,100	91,100
Grand Total	**$ 1,461,097**	**$ 1,804,100**	**$ 1,770,800**	**$ 1,905,900**	**$ 2,229,000**	**$ 2,232,100**	**$ 2,235,300**

Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Administrative Officer	$ 731,108	$ 864,400	**$ 1,008,000**	$ 1,009,300	$ 1,144,500	$ 1,145,900	$ 1,147,400
Risk Management and Safety	729,989	939,700	**762,800**	896,600	1,084,500	1,086,200	1,087,900
Grand Total	**$ 1,461,097**	**$ 1,804,100**	**$ 1,770,800**	**$ 1,905,900**	**$ 2,229,000**	**$ 2,232,100**	**$ 2,235,300**

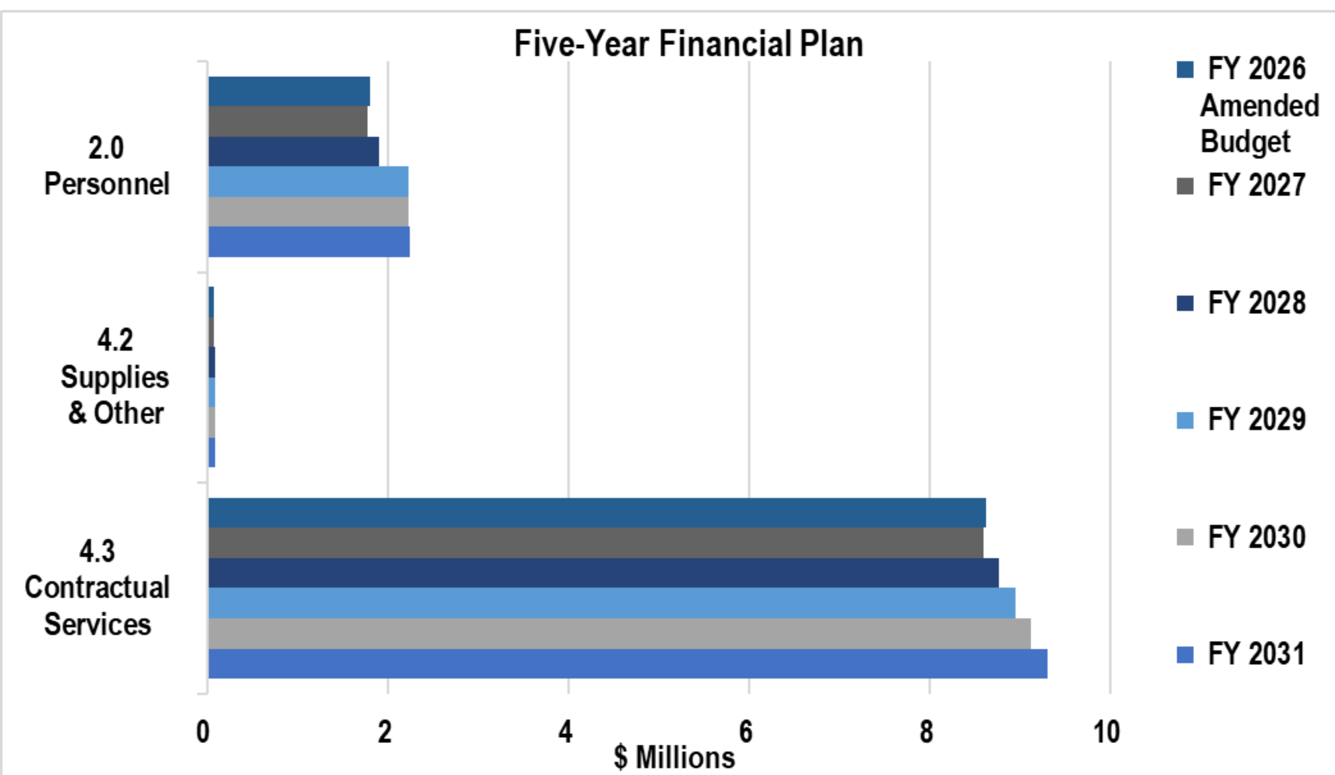
Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
2.0 Personnel	$ 1,461,097	$ 1,804,100	**$ 1,770,800**	$ 1,905,900	$ 2,229,000	$ 2,232,100	$ 2,235,300
4.2 Supplies & Other	55,750	74,700	**76,300**	78,000	79,700	81,400	83,100
4.3 Contractual Services	7,719,569	8,617,000	**8,598,200**	8,770,200	8,945,500	9,124,600	9,307,100
Grand Total	**$ 9,236,416**	**$ 10,495,800**	**$ 10,445,300**	**$ 10,754,100**	**$ 11,254,200**	**$ 11,438,100**	**$ 11,625,500**

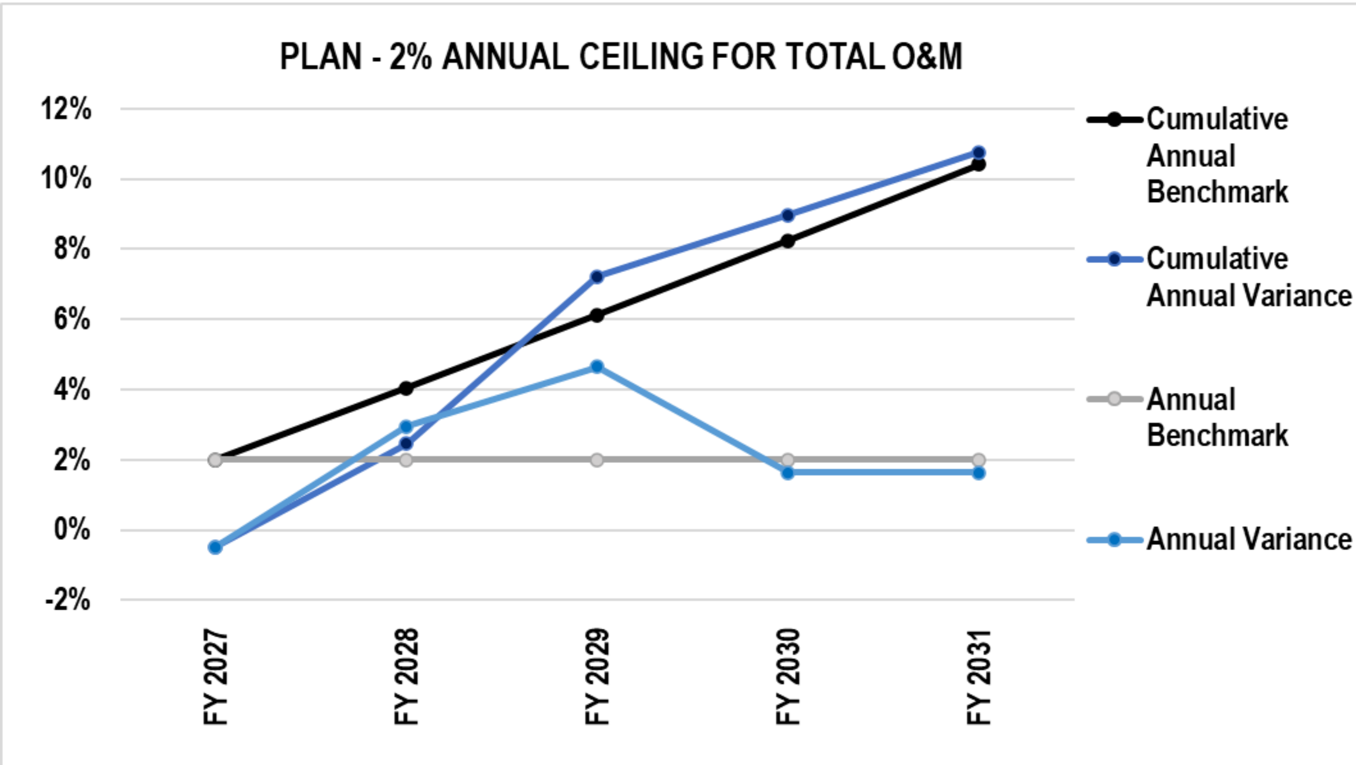
Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Administrative Officer	$ 1,198,629	$ 2,170,300	**$ 1,727,700**	$ 1,743,500	$ 1,893,400	$ 1,910,000	$ 1,926,900
Risk Management and Safety	8,037,787	8,325,500	**8,717,600**	9,010,600	9,360,800	9,528,100	9,698,600
Grand Total	**$ 9,236,416**	**$ 10,495,800**	**$ 10,445,300**	**$ 10,754,100**	**$ 11,254,200**	**$ 11,438,100**	**$ 11,625,500**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Chief Administrative and Compliance Officer area financial plan reflects a five-year overall increase of 10.8% while the entity-wide goal is a cumulative 10.4% for planning purposes (based upon an annual 2% adjustment).



Capital Outlay

Capital Outlay is not a component of the Chief Administrative and Compliance Officer Area.

Line-Item Budget and Financial Plan

The Chief Administrative and Compliance Officer area five-year plan by line-item expense is listed below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
883001 Chief Administrative Officer	**$ 1,198,629**	**$ 2,170,300**	**$ 1,727,700**	**$ 1,743,500**	**$ 1,893,400**	**$ 1,910,000**	**$ 1,926,900**
2.1 Salaries & Wages	**586,100**	**685,500**	**795,000**	**795,000**	**899,600**	**899,600**	**899,600**
2.3 Overtime	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**145,008**	**178,900**	**213,000**	**214,300**	**244,900**	**246,300**	**247,800**
4.2 Supplies & Other	**19,969**	**23,500**	**24,100**	**24,700**	**25,300**	**25,900**	**26,500**
Inspection and Permit Fees	550	-	-	-	-	-	-
Janitorial	309	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	2,700	2,800	2,900	3,000	3,100	3,200	3,300
Office Supplies	2,064	2,600	2,700	2,800	2,900	3,000	3,100
Training and Internal Meetings	11,313	9,600	9,800	10,000	10,200	10,400	10,600
Travel	3,033	8,500	8,700	8,900	9,100	9,300	9,500
4.3 Contractual Services	**447,552**	**1,282,400**	**695,600**	**709,500**	**723,600**	**738,200**	**753,000**
Contractual Professional Services	447,552	1,282,400	695,600	709,500	723,600	738,200	753,000
883401 Enterprise Risk Management and Safety	**1,372,507**	**2,073,300**	**1,919,000**	**2,076,000**	**2,287,500**	**2,313,300**	**2,339,500**
2.1 Salaries & Wages	**555,841**	**649,100**	**560,800**	**645,200**	**752,600**	**752,600**	**752,600**
2.4 Employee Benefits	**174,148**	**199,500**	**179,000**	**205,900**	**240,800**	**242,500**	**244,200**
2.5 Transition Services	**-**	**91,100**	**23,000**	**45,500**	**91,100**	**91,100**	**91,100**
Contractual Transition Services	-	91,100	23,000	45,500	91,100	91,100	91,100
4.2 Supplies & Other	**35,781**	**51,200**	**52,200**	**53,300**	**54,400**	**55,500**	**56,600**
Inspection and Permit Fees	100	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	-	5,000	5,100	5,200	5,300	5,400	5,500
Mileage and Parking	389	-	-	-	-	-	-
Operating Supplies	33,692	32,000	32,600	33,300	34,000	34,700	35,400
Training and Internal Meetings	1,600	8,500	8,700	8,900	9,100	9,300	9,500
Travel	-	5,700	5,800	5,900	6,000	6,100	6,200
4.3 Contractual Services	**606,737**	**1,082,400**	**1,104,000**	**1,126,100**	**1,148,600**	**1,171,600**	**1,195,000**
Contractual Operating Services	606,737	1,082,400	1,104,000	1,126,100	1,148,600	1,171,600	1,195,000
883411 Enterprise Risk Management Insurance Fund	**6,665,280**	**6,252,200**	**6,798,600**	**6,934,600**	**7,073,300**	**7,214,800**	**7,359,100**
4.3 Contractual Services	**6,665,280**	**6,252,200**	**6,798,600**	**6,934,600**	**7,073,300**	**7,214,800**	**7,359,100**
Contractual Operating Services	6,665,280	6,252,200	6,798,600	6,934,600	7,073,300	7,214,800	7,359,100
Grand Total	**$ 9,236,416**	**$ 10,495,800**	**$ 10,445,300**	**$ 10,754,100**	**$ 11,254,200**	**$ 11,438,100**	**$ 11,625,500**

General Counsel

General Counsel provides legal representation, strategic guidance, counseling, advice, and support to the Great Lakes Water Authority so the organization will make sound decisions and use appropriate legal processes to better provide its member partners with quality compliant water services.

Strategic Initiatives

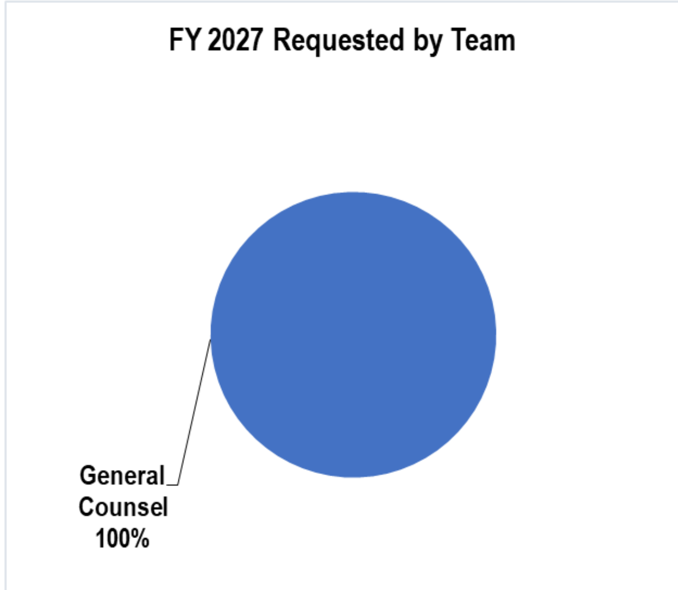
- **Work collaboratively with GLWA water member partners to reopen their water usage demands (Ongoing)**
  Ensure that all member partners with direct water service contracts have an opportunity to determine whether they want to adjust their water usage demands. The water contract reopener cycle that impacts all Member Partners occurs every four years. Calendar year 2026 is a reopener year for FY 2028 charges.
- **Create a Best Practices Manual (Ongoing)**
  Ensure consistent representation of the Authority in contractual, real estate, employment, and litigation matters.
- **Defend litigation (As needed)**
  Manage lawsuits as needed.

The following table shows how the General Counsel area strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
General Counsel Strategic Initiatives	GLWA water member partners to reopen their water						x	x		x		x
	Create a Best Practices Manual				x	x	x	x		x	x	
	Defend litigation (as needed).						x					

Organization

The General Counsel area has one team.

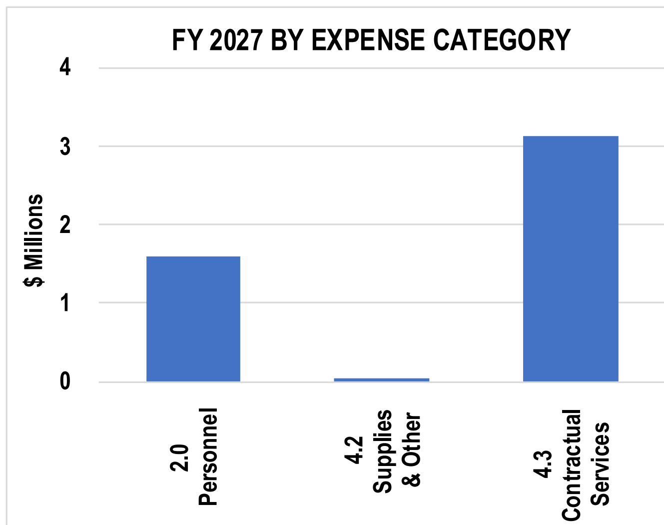


Expense Categories

The General Counsel area has three expense categories in the operations and maintenance budget:

- ❖ Personnel
- ❖ Supplies & Other
- ❖ Contractual Services

Contractual Services represents the largest expense category. This account contains the outside counsel for a wide range of matters, including expert witnesses, environmental, labor, contract review, land matters, non-transactional bond counsel and other matters.



Biennial Budget Request

The biennial budget reflects an overall increase of $844,600, or 21.6%, in FY 2027.

- ❖ Personnel increased by $76,200 due to a position conversion to Associate General Counsel.
- ❖ The supplies and other account decreased by $38,200 due to right sizing anticipated expenses.
- ❖ The contractual services is increasing by $806,600 for the legal account and contractual professional services for risk mitigation in legal services in FY 2027.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 1,392,510	$ 1,523,900	$ 485,532	$ 1,600,100	$ 76,200	5.0%	$ 1,601,900
4.2 Supplies & Other	18,429	74,000	5,265	35,800	(38,200)	-51.6%	36,500
4.3 Contractual Services	2,914,489	2,318,300	1,293,055	3,124,900	806,600	34.8%	3,187,300
Grand Total	**$ 4,325,428**	**$ 3,916,200**	**$ 1,783,852**	**$ 4,760,800**	**$ 844,600**	**21.6%**	**$ 4,825,700**

Personnel Budget

General Counsel consists of ten positions for FY 2027. The following tables provide three views of the staffing plans and budget.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions *(includes interns)*

	Staffing Plan						
Team Member Type	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**	**8.00**
General Counsel	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Intern	**0.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
General Counsel	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**8.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**

Full-time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (includes interns)

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
General Counsel	8.00	8.25	**9.00**	9.00	9.00	9.00	9.00
Grand Total	**8.00**	**8.25**	**9.00**	**9.00**	**9.00**	**9.00**	**9.00**

Personnel Budget - The tables below present the General Counsel personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 1,103,128	$ 1,181,700	$ 387,690	$ 1,234,000	$ 52,300	4.4%	$ 1,234,000
2.2 Workforce Development	16,891	40,800	8,643	39,700	(1,100)	-2.7%	39,700
2.4 Employee Benefits	272,491	301,400	89,200	326,400	25,000	8.3%	328,200
Grand Total	**$ 1,392,510**	**$ 1,523,900**	**$ 485,532**	**$ 1,600,100**	**$ 76,200**	**5.0%**	**$ 1,601,900**

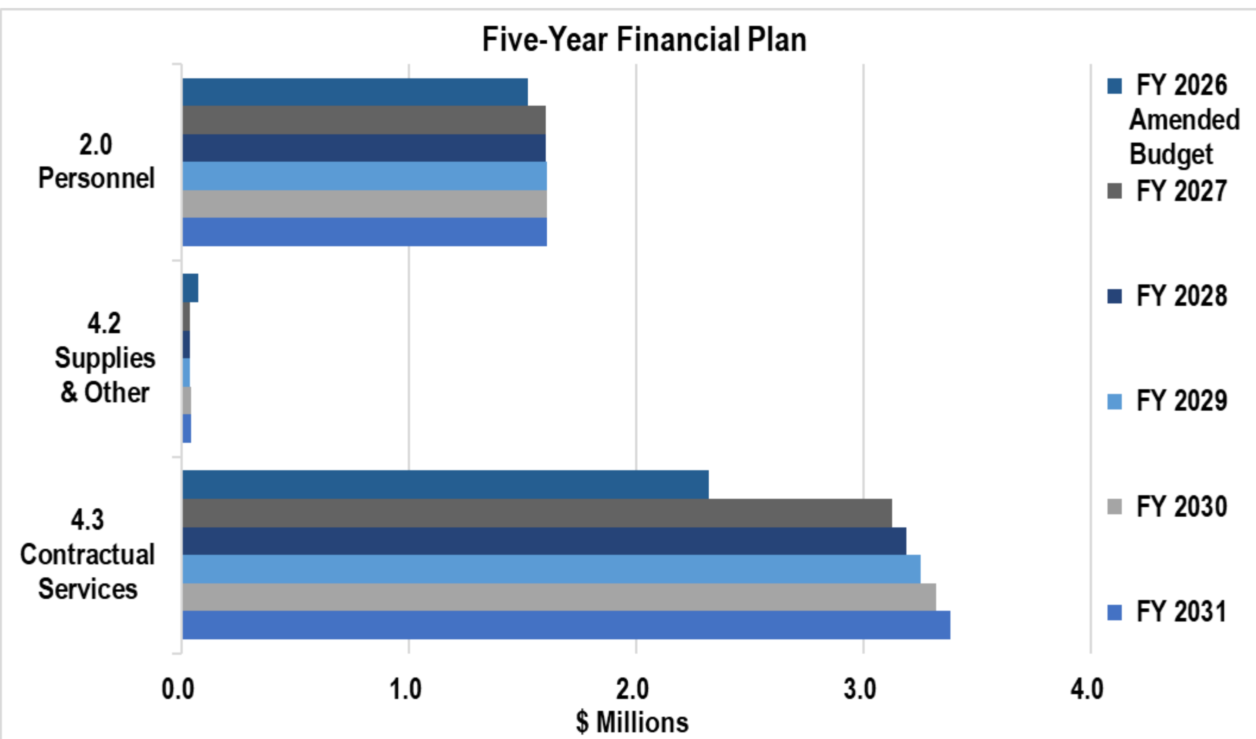
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 1,103,128	$ 1,181,700	$ 1,234,000	$ 1,234,000	$ 1,234,000	$ 1,234,000	$ 1,234,000
2.2 Workforce Development	16,891	40,800	39,700	39,700	39,700	39,700	39,700
2.4 Employee Benefits	272,491	301,400	326,400	328,200	330,000	331,900	333,700
Grand Total	**$ 1,392,510**	**$ 1,523,900**	**$ 1,600,100**	**$ 1,601,900**	**$ 1,603,700**	**$ 1,605,600**	**$ 1,607,400**

Five-Year Financial Plan

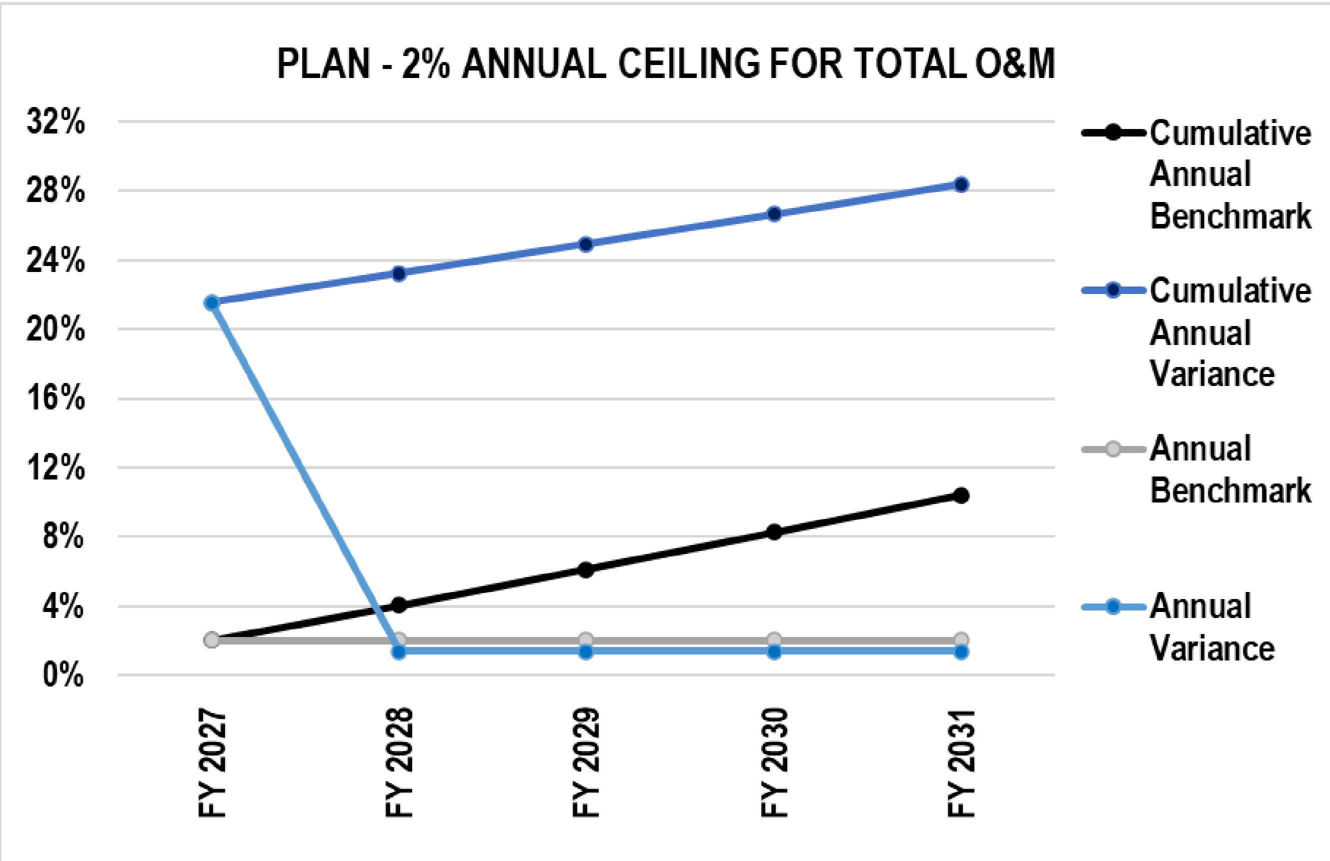
Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.0 Personnel	$ 1,392,510	$ 1,523,900	**$ 1,600,100**	$ 1,601,900	$ 1,603,700	$ 1,605,600	$ 1,607,400
4.2 Supplies & Other	18,429	74,000	**35,800**	36,500	37,300	38,000	38,700
4.3 Contractual Services	2,914,489	2,318,300	**3,124,900**	3,187,300	3,251,000	3,316,000	3,382,300
Grand Total	**$ 4,325,428**	**$ 3,916,200**	**$ 4,760,800**	**$ 4,825,700**	**$ 4,892,000**	**$ 4,959,600**	**$ 5,028,400**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The General Counsel area financial plan reflects a five-year overall increase of 28.4% which is above the entity-wide goal of a cumulative 10.4% for planning purposes based upon an annual 2% adjustment. As noted earlier, the main driver is the increase in contractual services.



Capital Outlay

Capital Outlay is not a component of the General Counsel area.

Line-Item Budget and Financial Plan

The General Counsel five-year plan by line-item expense is listed below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actual	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
883101 General Counsel	**$ 4,325,428**	**$ 3,916,200**	**$ 4,760,800**	**$ 4,825,700**	**$ 4,892,000**	**$ 4,959,600**	**$ 5,028,400**
2.1 Salaries & Wages	**1,103,128**	**1,181,700**	**1,234,000**	**1,234,000**	**1,234,000**	**1,234,000**	**1,234,000**
2.2 Workforce Development	**16,891**	**40,800**	**39,700**	**39,700**	**39,700**	**39,700**	**39,700**
2.4 Employee Benefits	**272,491**	**301,400**	**326,400**	**328,200**	**330,000**	**331,900**	**333,700**
4.2 Supplies & Other	**18,429**	**74,000**	**35,800**	**36,500**	**37,300**	**38,000**	**38,700**
Memberships, Licenses & Subscriptions	7,201	18,400	9,400	9,600	9,800	10,000	10,200
Mileage and Parking	10	-	-	-	-	-	-
Office Supplies	857	8,000	2,100	2,100	2,200	2,200	2,200
Operating Supplies	52	-	-	-	-	-	-
Postage	-	200	200	200	200	200	200
Training and Internal Meetings	4,048	30,600	15,600	15,900	16,200	16,500	16,800
Travel	6,261	16,800	8,500	8,700	8,900	9,100	9,300
4.3 Contractual Services	**2,914,489**	**2,318,300**	**3,124,900**	**3,187,300**	**3,251,000**	**3,316,000**	**3,382,300**
Contractual Operating Services	703	1,500	1,600	1,600	1,600	1,600	1,600
Contractual Professional Services	331,530	-	350,000	357,000	364,100	371,400	378,800
Contractual Svcs–Flood Events -All Sewer	64,309	-	-	-	-	-	-
Legal	752,175	350,000	767,200	782,500	798,200	814,200	830,500
Legal - All Sewer	(191,575)	-	-	-	-	-	-
Legal - Settlement	1,957,347	1,966,800	2,006,100	2,046,200	2,087,100	2,128,800	2,171,400
Grand Total	**$ 4,325,428**	**$ 3,916,200**	**$ 4,760,800**	**$ 4,825,700**	**$ 4,892,000**	**$ 4,959,600**	**$ 5,028,400**

Public Affairs

The Public Affairs area is responsible for building knowledge of the Authority's mission, vision, and values, as well as sharing its accomplishments with stakeholders – both internal and external.

Strategic Initiatives

- **Build Public Trust in GLWA (Ongoing)**
  Implement a comprehensive, proactive, and transparent communications campaign to heighten knowledge of the GLWA system, its operations, the quality of the products we produce and the work GLWA does across the utility to protect public health. This initiative is tracked through a message pull through in the monthly KPI report under the stakeholder understanding category.
- **Celebration of GLWA's 10-Year Operating Anniversary**
  Celebrate GLWA's accomplishments from its first 10 years of operations through internal and external campaigns that not only highlight team members' contributions but also call out significant milestones and accomplishments of the utility. This would also include an updated public website.
- **Provide a Communications Resource to GLWA Member Partners (Ongoing)**
  Leverage the resources and capacity of the Public Affairs team to produce relevant, informative materials/campaigns for use by GLWA and its member partner communities in educating their elected officials, residents, and other stakeholders about important water/wastewater-related issues.
- **Refine GLWA's Internal Communications Outreach (Ongoing)**
  Continue to refine and implement an internal communications strategy that engages GLWA team members and helps to grow overall team member morale and satisfaction. This initiative will include a team member recognition program and continue the Team Leader Communications Outreach as well as the regular internal communication survey. Measurement factors include Team Leader communication sent bi-weekly, CEO team member outreach event at all facilities and groups annually, and, in conjunction with OD, publicizes the annual Gallup team member satisfaction survey.

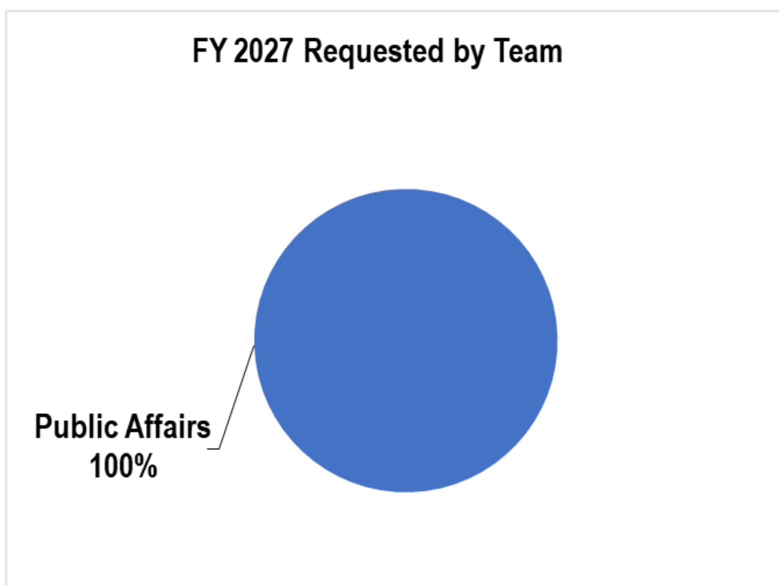
The following table shows how the Public Affairs area strategic initiatives relate to the organizational strategic goals:

Public Affairs Strategic Initiatives	Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Build Public Trust in GLWA	x					x	x		x	x	x
Celebration of GLWA's 10-Year Anniversary						x	x		x		
Provide a Communications Resource to GLWA Member Partners						x	x		x		x
Refine GLWA’s Internal Communications Outreach						x	x		x	x	x

(Column group heading: Organizational Strategic Goals)

Organization

The Public Affairs area has one team.

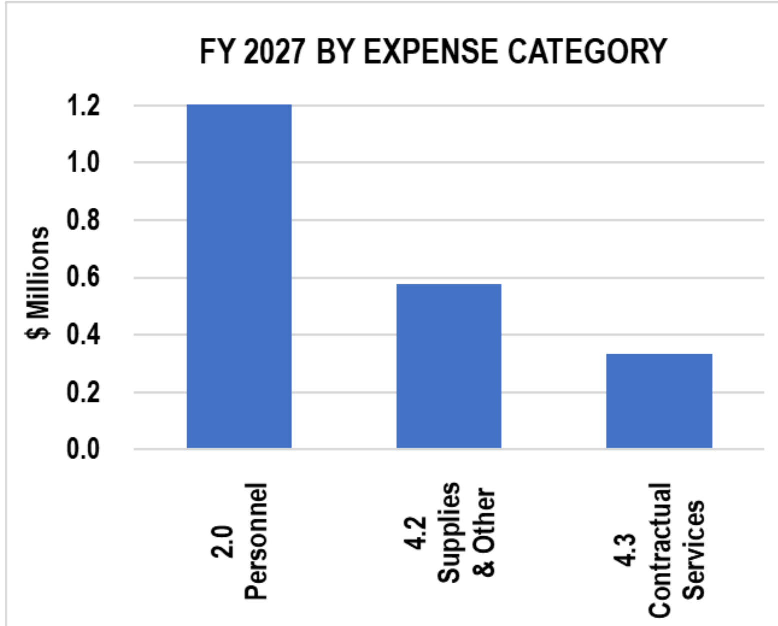


Expense Categories

There are three categories of Public Affairs expenses in the operations and maintenance budget:

- Personnel
- Supplies & Other
- Contractual Services

Personnel is the largest expense category for Public Affairs.



Biennial Budget Request

The biennial budget reflects an increase of $141,600, or 7.1%, in FY 2027.

- Personnel increased by $51,100 due to addition of interns and FY 2026 merit increases and market adjustments.
- Supplies & Other increased by $84,100 due to the focus on GLWA Brand awareness and recruitment campaign.
- Contractual Services account increased by $6,500 due to right-sizing use of marketing and communications services.

Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.0 Personnel	$ 1,140,706	$ 1,178,700	$ 339,902	$ 1,229,700	$ 51,000	4.3%	$ 1,275,300
4.2 Supplies & Other	379,138	493,200	73,546	577,300	84,100	17.1%	577,700
4.3 Contractual Services	204,993	325,500	54,524	332,000	6,500	2.0%	338,600
Grand Total	**$ 1,724,837**	**$ 1,997,400**	**$ 467,972**	**$ 2,139,000**	**$ 141,600**	**7.1%**	**$ 2,191,600**

Personnel Budget

Public Affairs personnel will increase by two internship positions for FY 2027.

Staffing Plan - The table below presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

Team Member Type	Staffing Plan FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Regular	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**	**10.00**
Public Affairs	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Intern	**0.00**	**0.00**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**
Public Affairs	0.00	0.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**10.00**	**10.00**	**12.00**	**12.00**	**12.00**	**12.00**	**12.00**

Full-time Equivalents – The following table presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (includes interns)

FTE by Team	Full Time Equivalents (FTEs) FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Public Affairs	8.50	9.25	**9.75**	10.50	10.75	10.75	10.75
Grand Total	**8.50**	**9.25**	**9.75**	**10.50**	**10.75**	**10.75**	**10.75**

Personnel Budget - The table below presents the Public Affairs personnel budget by expense category. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel - Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.1 Salaries & Wages	$ 873,018	$ 899,600	$ 257,278	$ 920,400	$ 20,800	2.3%	$ 939,000
2.2 Workforce Development	5,382	-	5,095	18,400	18,400	0.0%	36,500
2.3 Overtime	241	-	-	-	-	0.0%	-
2.4 Employee Benefits	262,065	279,100	77,529	290,900	11,800	4.2%	299,800
Grand Total	**$ 1,140,706**	**$ 1,178,700**	**$ 339,902**	**$ 1,229,700**	**$ 51,000**	**4.3%**	**$ 1,275,300**

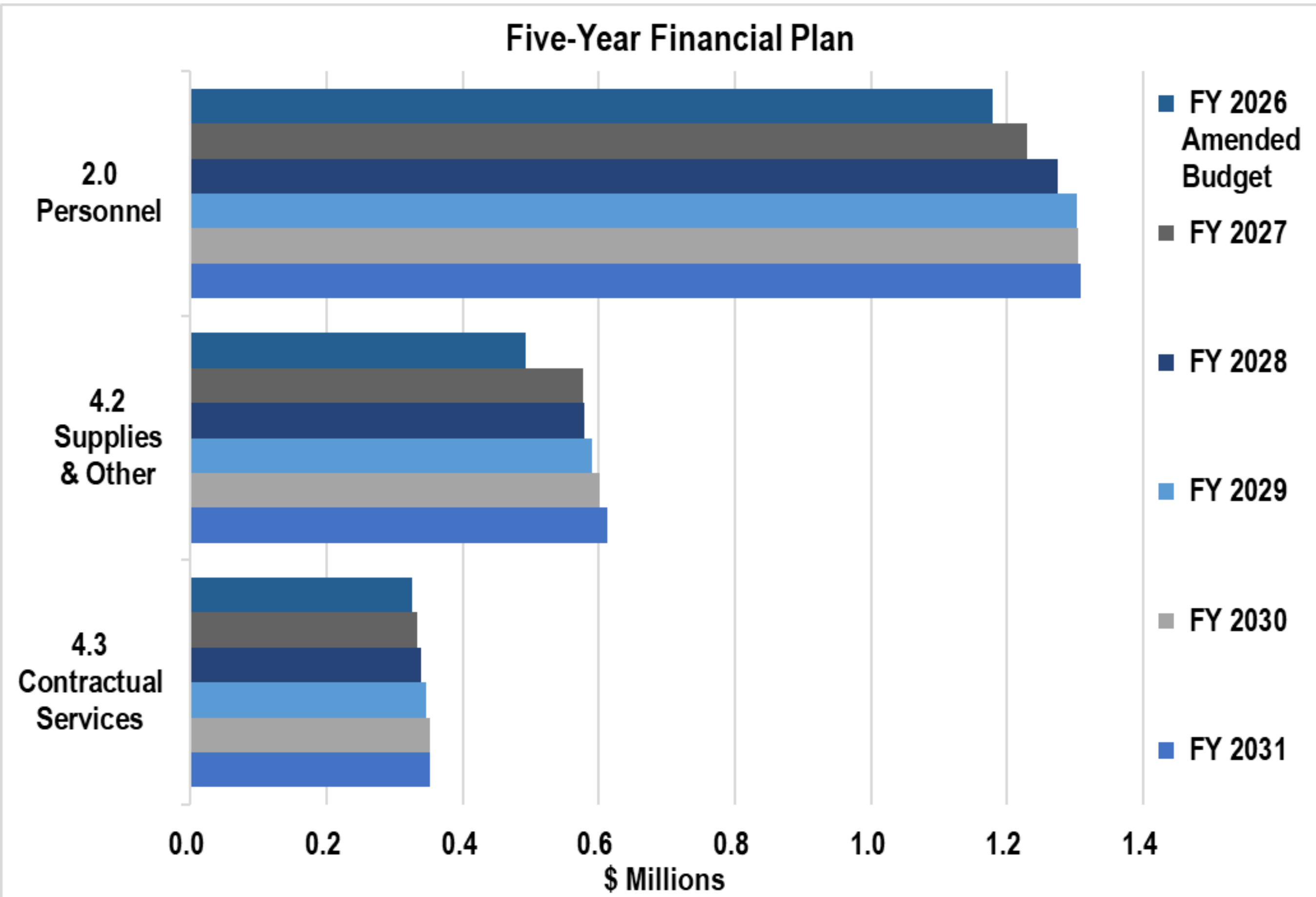
Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 873,018	$ 899,600	$ 920,400	$ 939,000	$ 957,700	$ 957,700	$ 957,700
2.2 Workforce Development	5,382	-	18,400	36,500	36,500	36,500	36,500
2.3 Overtime	241	-	-	-	-	-	-
2.4 Employee Benefits	262,065	279,100	290,900	299,800	308,900	311,100	313,400
Grand Total	**$ 1,140,706**	**$ 1,178,700**	**$ 1,229,700**	**$ 1,275,300**	**$ 1,303,100**	**$ 1,305,300**	**$ 1,307,600**

Five-Year Financial Plan

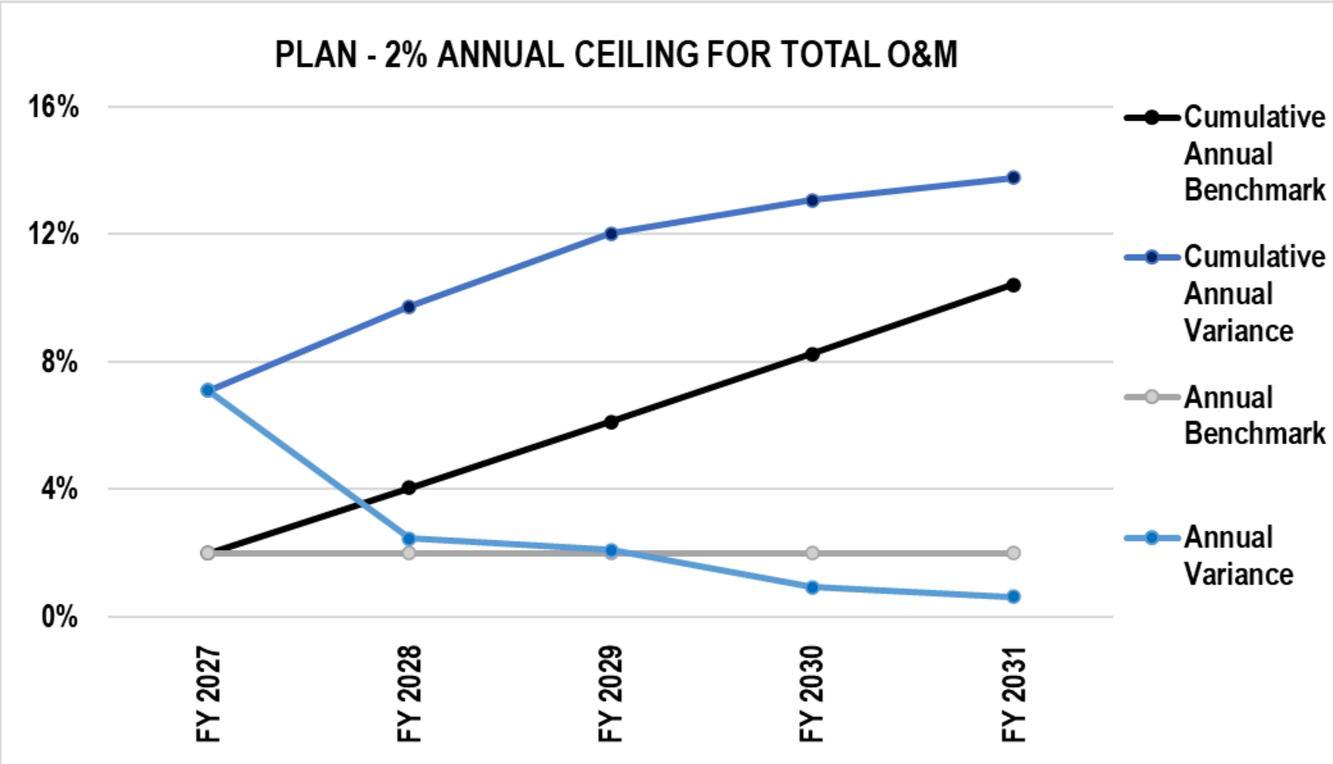
Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.0 Personnel	$ 1,140,706	$ 1,178,700	**$ 1,229,700**	$ 1,275,300	$ 1,303,100	$ 1,305,300	$ 1,307,600
4.2 Supplies & Other	379,138	493,200	**577,300**	577,700	589,100	600,800	612,700
4.3 Contractual Services	204,993	325,500	**332,000**	338,600	345,400	352,300	352,300
Grand Total	**$ 1,724,837**	**$ 1,997,400**	**$ 2,139,000**	**$ 2,191,600**	**$ 2,237,600**	**$ 2,258,400**	**$ 2,272,600**



Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Public Affairs area financial plan reflects a five-year overall increase of 13.8% while the entity-wide goal is a cumulative ceiling of no more than 10.4% for planning purposes based upon an annual 2% adjustment. The increase over the goal is mainly due to increases in personnel costs due to an increase in FTE each year through FY 2028.



Capital Outlay

Public Affairs capital outlay is funded by the Improvement & Extension budget. Professional high-grade production equipment is needed to meet department goals and initiatives.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Hardware	9,000	11,000	5,000	-	-	-
Grand Total	**$ 9,000**	**$ 11,000**	**$ 5,000**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Funding Source

	Actuals	Amended Budget	Proposed Budget		Projected		
Funding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	-	9,000	11,000	5,000	-	-	-
Grand Total	**$ -**	**$ 9,000**	**$ 11,000**	**$ 5,000**	**$ -**	**$ -**	**$ -**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense begins below. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

	Actuals	Amended Budget	Proposed Budget		Projected		
Cost Center & Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
881101 Public Affairs	**$ 1,724,837**	**$ 1,997,400**	**$ 2,139,000**	**$ 2,191,600**	**$ 2,237,600**	**$ 2,258,400**	**$ 2,272,600**
2.1 Salaries & Wages	**873,018**	**899,600**	**920,400**	**939,000**	**957,700**	**957,700**	**957,700**
2.2 Workforce Development	**5,382**	**-**	**18,400**	**36,500**	**36,500**	**36,500**	**36,500**
2.3 Overtime	**241**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**262,065**	**279,100**	**290,900**	**299,800**	**308,900**	**311,100**	**313,400**
4.2 Supplies & Other	**379,138**	**493,200**	**577,300**	**577,700**	**589,100**	**600,800**	**612,700**
Advertising	202,569	233,000	271,700	277,100	282,600	288,300	294,100
Capital Outlay less than $5,000	20,679	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	5,157	25,000	15,000	15,300	15,600	15,900	16,200
Mileage and Parking	998	1,300	1,300	1,300	1,300	1,300	1,300
Office Supplies	4,036	6,900	7,000	7,100	7,200	7,300	7,400
Operating Supplies	104,452	136,400	153,000	145,000	147,900	150,900	153,900
Postage	17	-	-	-	-	-	-
Printing	12,092	30,600	35,000	35,700	36,400	37,100	37,800
Training and Internal Meetings	20,547	25,000	58,600	59,800	61,000	62,200	63,400
Travel	8,591	35,000	35,700	36,400	37,100	37,800	38,600
4.3 Contractual Services	**204,993**	**325,500**	**332,000**	**338,600**	**345,400**	**352,300**	**352,300**
Contractual Operating Services	204,993	325,500	332,000	338,600	345,400	352,300	352,300
Grand Total	**$ 1,724,837**	**$ 1,997,400**	**$ 2,139,000**	**$ 2,191,600**	**$ 2,237,600**	**$ 2,258,400**	**$ 2,272,600**

Organizational Development

Organizational Development provides GLWA team members with effective and efficient support needed to ensure the best possible work experience, engagement, and personal development, in a collaborative manner, that also provides the best water treatment and service to our customers.

Strategic Initiatives

- **Apprentice Program (Ongoing)**
  GLWA has established a robust apprenticeship program. In FY 2027, GLWA will continue to expand the use of apprenticeships throughout the organization by adding new classes of apprentices and titles to the program. KPI's are reported for classes that have both started and completed.
- **Enterprise Resource Management System (ERM) (Ongoing)**
  Organizational Development provides managed services for GLWA's Workday (ERM) system. Organizational Development is actively participating and supporting GLWA's Enterprise Resource Management System led by Information Technology who maintains the strategic KPI's for this initiative.
- **Compensation Equity Team (Ongoing)**
  Organizational Development will continue a compensation benchmarking study and review of job classifications, job duties and compensation.
- **One Water Institute (Ongoing)**
  GLWA's training and development program has provided extensive health and safety course offerings to team members and Member Partners. In FY 2027 GLWA will continue expanding access to the One Water Institute with the rollout of the Leadership Development and Leader-in-Me academies. In FY 2027, the One Water Institute will continue to build out its evening in-person course offerings for GLWA team members.
- **One Water Wellness (Ongoing)**
  GLWA has established a strong proactive and responsive, organizational wellness program that supports the well-being and resiliency of its team members. One Water Wellness provides resources to team members for their physical, mental, and financial well-being.

The following table shows how the Organizational Development area strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Organizational Development Strategic Initiatives	Apprentice Program			x	x	x	x		x		x	x
	Enterprise Resource Management System (ERM)		x	x	x	x	x					
	Compensation Equity Team		x				x				x	
	One Water Instititue			x	x	x	x	x	x		x	x
	One Water Wellness										x	

Organization

The Organizational Development area consists of three teams.

- **Administration**
  Provides coordination and support to the area and strategic direction for the utility relative to human relations as well as team support and development.
- **Talent Management**
  From recruitment to retirement, talent management is responsible for supporting all aspects of the employment relationship.
- **Training**
  Ensures new GLWA team members receive essential orientation and mandatory health and safety training. Responsible for planning, coordinating, and delivering ongoing health and safety and leadership development training to all GLWA

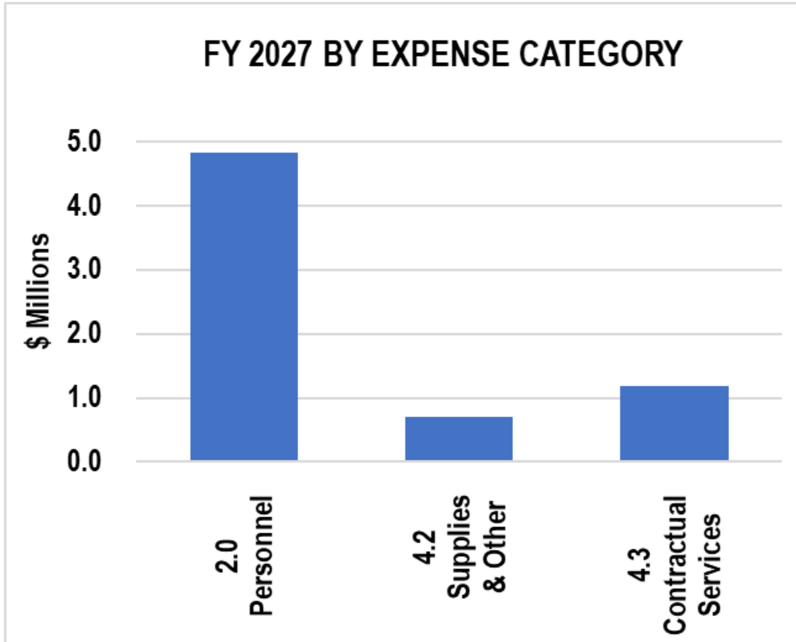
team members. Provides training opportunities to GLWA's Member Partners through the One Water Institute.

Expense Categories

There are three categories of Organizational Development (OD) expenses in the operations and maintenance budget as listed below:

- Personnel
- Supplies & Other
- Contractual Services

Personnel costs are the largest expense category for OD.



Biennial Budget Request

The biennial budget reflects a decrease of $24,900, or 0.4%, in FY 2027.

- Personnel decreased $48,600 due to the reduction in full-time equivalent percentages for currently unfilled positions.
- Supplies & Other increased by $59,300 for the training programs aligned with compliance, education, and value-added skills training.
- Contractual Services decreased by $35,600 due to savings from the non-renewal of non-critical, as-needed contracts.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.0 Personnel	$ 4,356,153	$ 4,872,200	$ 1,250,527	**$ 4,823,600**	**$ (48,600)**	**-1.0%**	$ 5,107,700
4.2 Supplies & Other	700,747	634,200	240,933	**693,500**	**59,300**	**9.4%**	707,400
4.3 Contractual Services	567,909	1,224,600	166,703	**1,189,000**	**(35,600)**	**-2.9%**	1,212,800
5.2 Shared Services	(13,300)	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ 5,611,509**	**$ 6,731,000**	**$ 1,658,162**	**$ 6,706,100**	**$ (24,900)**	**-0.4%**	**$ 7,027,900**

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Administration	$ 775,083	$ 927,200	$ 245,502	**$ 971,200**	**$ 44,000**	**4.7%**	$ 994,500
Talent Management	2,834,145	3,562,200	737,728	**3,482,400**	**(79,800)**	**-2.2%**	3,737,500
Training	2,002,281	2,241,600	674,932	**2,252,500**	**10,900**	**0.5%**	2,295,900
Grand Total	**$ 5,611,509**	**$ 6,731,000**	**$ 1,658,162**	**$ 6,706,100**	**$ (24,900)**	**-0.4%**	**$ 7,027,900**

Personnel Budget

Organizational Development personnel consist of 48 positions for FY 2027. There were no new positions added from FY 2026. The FTE percentage for currently unfilled positions including interns, two managers, three generalists, and two administrative specialists have been reduced for the FY 2027 budget as active recruiting continues.

Staffing Plan - The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (*includes interns*)

	Staffing Plan						
Team Member Type	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
883201 - OD Administration	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Regular	5.00	5.00	**5.00**	5.00	5.00	5.00	5.00
883211 - OD Talent Management	**26.00**	**28.00**	**28.00**	**28.00**	**28.00**	**28.00**	**28.00**
Regular	26.00	26.00	**26.00**	26.00	26.00	26.00	26.00
Intern		2.00	**2.00**	2.00	2.00	2.00	2.00
883231 - OD Training	**14.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**	**15.00**
Regular	14.00	14.00	**14.00**	14.00	14.00	14.00	14.00
Intern		1.00	**1.00**	1.00	1.00	1.00	1.00
Grand Total	**45.00**	**48.00**	**48.00**	**48.00**	**48.00**	**48.00**	**48.00**

Full-time Equivalents - The table below presents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

Full-time Equivalents (*includes interns*)

FTE by Team	Full Time Equivalents (FTEs)						
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Administration	4.75	4.25	**3.75**	4.00	4.25	4.25	4.25
Talent Management	21.50	22.75	**21.25**	23.00	25.00	25.00	25.00
Training	14.00	13.75	**13.50**	14.00	14.75	14.75	14.75
Grand Total	**40.25**	**40.75**	**38.50**	**41.00**	**44.00**	**44.00**	**44.00**

Personnel Budget - The table below presents the Organizational Development personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. The values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
2.1 Salaries & Wages	$ 3,272,196	$ 3,651,000	$ 948,875	**$ 3,606,000**	**$ (45,000)**	**-1.2%**	$ 3,805,200
2.2 Workforce Development	34,051	59,100	17,167	**50,000**	**(9,100)**	**-15.4%**	59,100
2.3 Overtime	646	-	155	**-**	**-**	**0.0%**	-
2.4 Employee Benefits	1,049,260	1,162,100	284,330	**1,167,600**	**5,500**	**0.5%**	1,243,400
Grand Total	**$ 4,356,153**	**$ 4,872,200**	**$ 1,250,527**	**$ 4,823,600**	**$ (48,600)**	**-1.0%**	**$ 5,107,700**

Personnel – Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Administration	$ 559,520	$ 659,400	$ 200,507	**$ 698,100**	**$ 38,700**	**5.9%**	$ 715,900
Talent Management	2,375,456	2,613,600	612,185	**2,515,300**	**(98,300)**	**-3.8%**	2,751,000
Training	1,421,177	1,599,200	437,834	**1,610,200**	**11,000**	**0.7%**	1,640,800
Grand Total	**$ 4,356,153**	**$ 4,872,200**	**$ 1,250,527**	**$ 4,823,600**	**$ (48,600)**	**-1.0%**	**$ 5,107,700**

Personnel – Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.1 Salaries & Wages	$ 3,272,196	$ 3,651,000	**$ 3,606,000**	$ 3,805,200	$ 4,043,700	$ 4,043,700	$ 4,043,700
2.2 Workforce Development	34,051	59,100	**50,000**	59,100	77,300	77,300	77,300
2.3 Overtime	646	-	**-**	-	-	-	-
2.4 Employee Benefits	1,049,260	1,162,100	**1,167,600**	1,243,400	1,330,700	1,340,700	1,350,500
Grand Total	**$ 4,356,153**	**$ 4,872,200**	**$ 4,823,600**	**$ 5,107,700**	**$ 5,451,700**	**$ 5,461,700**	**$ 5,471,500**

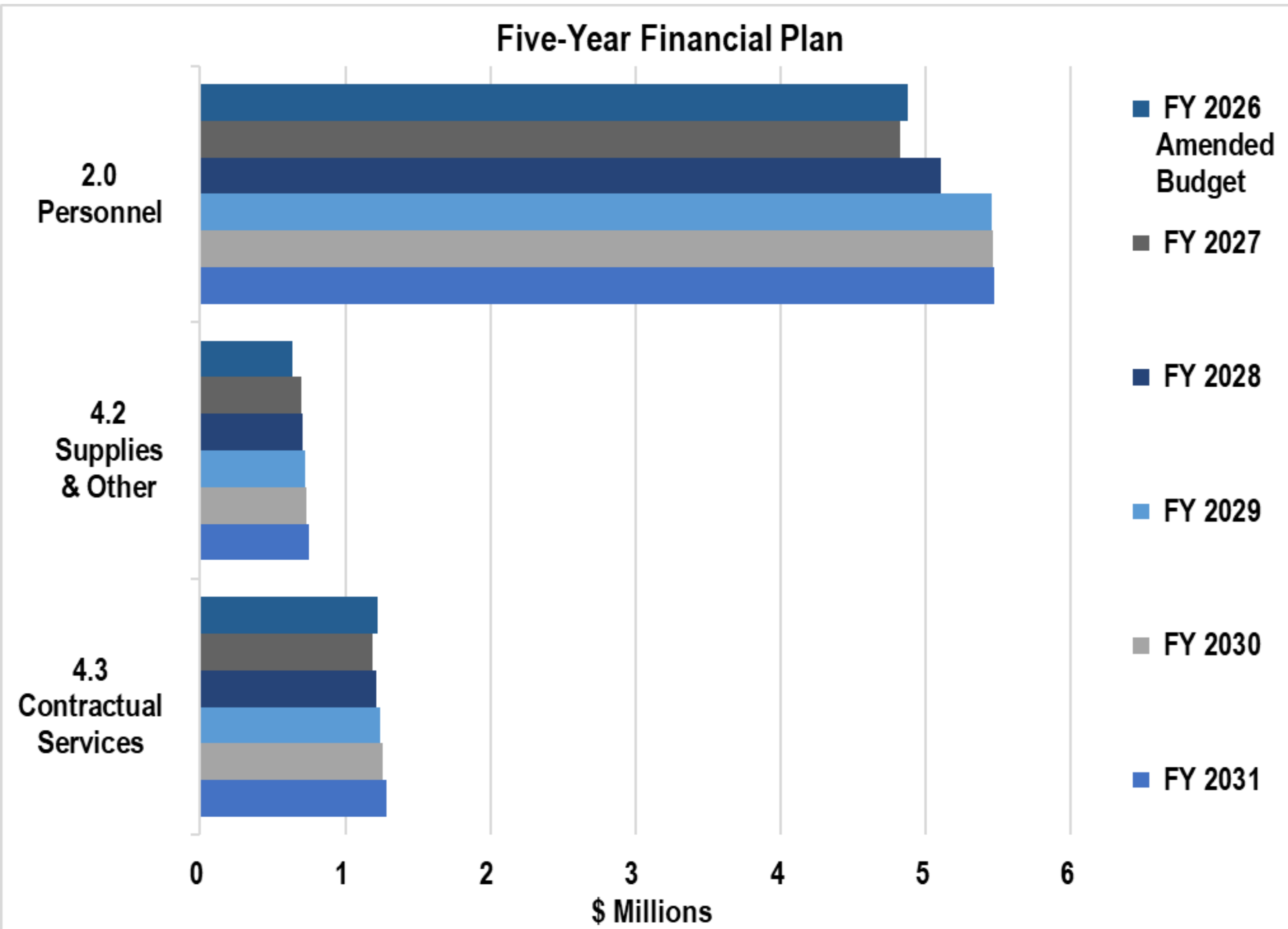
Personnel – Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Administration	$ 559,520	$ 659,400	**$ 698,100**	$ 715,900	$ 733,900	$ 735,000	$ 736,100
Talent Management	2,375,456	2,613,600	**2,515,300**	2,751,000	3,037,100	3,042,800	3,048,400
Training	1,421,177	1,599,200	**1,610,200**	1,640,800	1,680,700	1,683,900	1,687,000
Grand Total	**$ 4,356,153**	**$ 4,872,200**	**$ 4,823,600**	**$ 5,107,700**	**$ 5,451,700**	**$ 5,461,700**	**$ 5,471,500**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 4,356,153	$ 4,872,200	**$ 4,823,600**	$ 5,107,700	$ 5,451,700	$ 5,461,700	$ 5,471,500
4.2 Supplies & Other	700,747	634,200	**693,500**	707,400	721,500	736,100	750,800
4.3 Contractual Services	567,909	1,224,600	**1,189,000**	1,212,800	1,237,100	1,261,900	1,287,100
5.2 Shared Services	(13,300)	-	**-**	-	-	-	-
Grand Total	**$ 5,611,509**	**$ 6,731,000**	**$ 6,706,100**	**$ 7,027,900**	**$ 7,410,300**	**$ 7,459,700**	**$ 7,509,400**

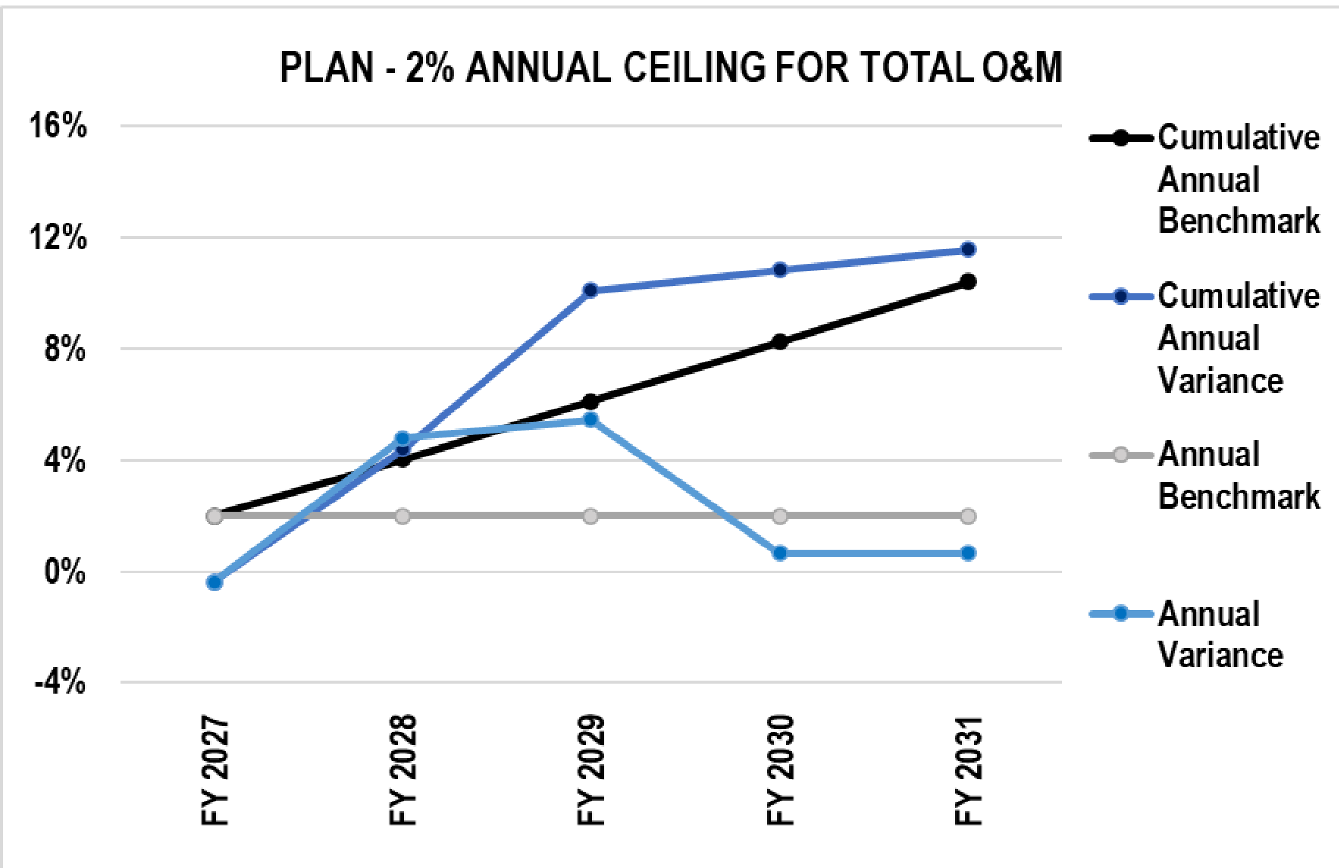


Five-Year Financial Plan by Team

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Administration	$ 775,083	$ 927,200	**$ 971,200**	$ 994,500	$ 1,018,100	$ 1,025,100	$ 1,032,100
Talent Management	2,834,145	3,562,200	**3,482,400**	3,737,500	4,043,300	4,069,100	4,095,100
Training	2,002,281	2,241,600	**2,252,500**	2,295,900	2,348,900	2,365,500	2,382,200
Grand Total	**$ 5,611,509**	**$ 6,731,000**	**$ 6,706,100**	**$ 7,027,900**	**$ 7,410,300**	**$ 7,459,700**	**$ 7,509,400**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Organizational Development area financial plan reflects a five-year overall increase of 11.6% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment. The increase over the entity-wide goal is anticipated due to the increase in FTE through FY 2029.



Capital Outlay

Organizational Development capital outlay is funded by the Improvement & Extension budget. The tables below reflect anticipated costs for renovation of training facilities.

Five-Year Capital Outlay by Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Leasehold Improvements	350,000	200,000	-	-	-	-
Grand Total	**$ 350,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Funding Source

	Actuals	Amended Budget	Proposed Budget		Projected		
Funding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Improvement & Extension	-	350,000	200,000	-	-	-	-
Grand Total	**$ -**	**$ 350,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**	**$ -**

Five-Year Capital Outlay by Team

	Actuals	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
OD Administration	-	350,000	200,000	-	-	-	-
Grand Total	**$ -**	**$ 350,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**	**$ -**

Line-Item Budget and Financial Plan

The five-year plan by line-item expense is listed below. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
883201 Organizational Development Administration	$ 775,083	$ 927,200	$ 971,200	$ 994,500	$ 1,018,100	$ 1,025,100	$ 1,032,100
2.1 Salaries & Wages	447,075	513,100	543,400	554,700	566,100	566,100	566,100
2.3 Overtime	132	-	-	-	-	-	-
2.4 Employee Benefits	112,313	146,300	154,700	161,200	167,800	168,900	170,000
4.2 Supplies & Other	103,918	105,800	107,900	110,100	112,300	114,700	117,100
Memberships, Licenses & Subscriptions	41,886	35,700	36,400	37,100	37,800	38,600	39,400
Mileage and Parking	263	200	200	200	200	200	200
Office Supplies	15,862	21,600	22,000	22,400	22,800	23,300	23,800
Operating Supplies	11,251	4,000	4,100	4,200	4,300	4,400	4,500
Postage	1,805	100	100	100	100	100	100
Printing	8,354	-	-	-	-	-	-
Training and Internal Meetings	22,537	27,000	27,500	28,100	28,700	29,300	29,900
Travel	1,960	13,200	13,500	13,800	14,100	14,400	14,700
Tuition Refund	-	4,000	4,100	4,200	4,300	4,400	4,500
4.3 Contractual Services	111,645	162,000	165,200	168,500	171,900	175,400	178,900
Contractual Operating Services	107,710	140,000	142,800	145,700	148,600	151,600	154,600
Contractual Professional Services	3,935	22,000	22,400	22,800	23,300	23,800	24,300
883211 Organizational Development Talent Management	2,834,145	3,562,200	3,482,400	3,737,500	4,043,300	4,069,100	4,095,100
2.1 Salaries & Wages	1,750,943	1,940,500	1,858,300	2,033,500	2,247,800	2,247,800	2,247,800
2.2 Workforce Development	34,051	40,800	40,800	40,800	40,800	40,800	40,800
2.3 Overtime	514	-	-	-	-	-	-
2.4 Employee Benefits	589,948	632,300	616,200	676,700	748,500	754,200	759,800
4.2 Supplies & Other	46,776	156,500	159,200	162,400	165,600	168,900	172,200
Advertising	1,999	52,600	53,700	54,800	55,900	57,000	58,100
Memberships, Licenses & Subscriptions	1,453	8,200	8,400	8,600	8,800	9,000	9,200
Mileage and Parking	7,563	3,500	3,100	3,200	3,300	3,400	3,500
Office Supplies	1,144	15,300	15,600	15,900	16,200	16,500	16,800
Operating Supplies	4,157	1,200	1,200	1,200	1,200	1,200	1,200
Postage	33	-	-	-	-	-	-
Printing	2,374	6,100	6,200	6,300	6,400	6,500	6,600
Software Repairs & Maintenance	-	8,000	8,200	8,400	8,600	8,800	9,000
Training and Internal Meetings	10,818	40,800	41,600	42,400	43,200	44,100	45,000
Travel	17,070	18,800	19,200	19,600	20,000	20,400	20,800
Tuition Refund	165	2,000	2,000	2,000	2,000	2,000	2,000
4.3 Contractual Services	411,913	792,100	807,900	824,100	840,600	857,400	874,500
Contractual Operating Services	411,913	792,100	807,900	824,100	840,600	857,400	874,500
883231 Organizational Development Training	2,002,281	2,241,600	2,252,500	2,295,900	2,348,900	2,365,500	2,382,200
2.1 Salaries & Wages	1,074,178	1,197,400	1,204,300	1,217,000	1,229,800	1,229,800	1,229,800
2.2 Workforce Development	-	18,300	9,200	18,300	36,500	36,500	36,500
2.4 Employee Benefits	346,999	383,500	396,700	405,500	414,400	417,600	420,700
4.2 Supplies & Other	550,053	371,900	426,400	434,900	443,600	452,500	461,500
Capital Outlay less than $5,000	5,206	-	-	-	-	-	-
Janitorial	272	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	9,428	8,500	11,400	11,600	11,800	12,000	12,200
Mileage and Parking	28	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	11,459	10,200	15,400	15,700	16,000	16,300	16,600
Operating Supplies	51,458	10,000	60,200	61,400	62,600	63,900	65,200
Training and Internal Meetings	469,610	306,000	312,100	318,300	324,700	331,200	337,800
Travel	964	33,500	23,500	24,000	24,500	25,000	25,500
Tuition Refund	1,628	2,700	2,800	2,900	3,000	3,100	3,200
4.3 Contractual Services	44,351	270,500	215,900	220,200	224,600	229,100	233,700
Contractual Operating Services	4,351	270,500	215,900	220,200	224,600	229,100	233,700
Contractual Professional Services	40,000	-	-	-	-	-	-
5.2 Shared Services	(13,300)	-	-	-	-	-	-
Shared Services Reimbursement	(13,300)	-	-	-	-	-	-
Grand Total	$ 5,611,509	$ 6,731,000	$ 6,706,100	$ 7,027,900	$ 7,410,300	$ 7,459,700	$ 7,509,400

Financial Services

The Financial Services Area consists of three groups. The *CFO Services* group oversees all debt management, compliance, grants, internal audit, and intergovernmental activities as well as the affordability and assistance program. The *Operations Support Services* group is responsible for procurement and inventory management. The *Financial Reporting & Accounting* group is responsible for construction, general ledger, accounts payable, payroll, asset management and related activities.

Strategic Initiatives

- **Financial operations (Ongoing)**
  Continued rollout of technology to reduce the inefficiencies of processing times and to expand analytical capacity – as well as to improve the data available for management decisions.
- **Business support (Ongoing)**
  Continue to refine the new Business Inclusion & Diversity program, explore utility cooperative procurement sponsorship and vendor quality management.
- **Cross-functional collaboration in key initiatives (Ongoing)**
  Support transformational efforts across GLWA including asset management, capital program management, operations, and movement toward enterprise-wide contractual services management.
- **Member Partner Engagement (Ongoing)**
  Support short-and long-term efforts related to the charges' equity and stability program.
- **Affordability (Ongoing)**
  Continue to improve and expand constituent service including implementation of the water residential assistance program.

The following table shows how the financial services strategic initiatives relate to the organizational strategic goals:

		Organizational Strategic Goals										
		Bond credit rating of AA	Financial Viability	Product Quality	Infrastructure Strategy and Performance	Operational Optimization	Enterprise Resiliency	Customer Satisfaction	Water Resource Sustainability	Stakeholder Understanding and Support	Employee and Leadership Development	Community Sustainability
Financial Services Strategic Initiatives	Financial operations	x	x			x	x					
	Business support		x	x		x	x					x
	Cross-functional collaboration in key initiatives	x	x	x	x	x	x	x	x	x		x
	Member Partner Engagement	x	x				x	x	x			x
	Affordability		x				x	x	x			x

Financial Services Contracts

The Financial Services area budget contains several contracts for professional services needed for external auditing, financial and investment consulting, and the Water Residential Assistance Program (WRAP). Included in the chart below are the current key contracts for the services listed. Expired contracts are not represented. Budgeted amounts beyond the contract end date are estimates for future services. These contracts would generally require a separate procurement process.

Significant Contracts

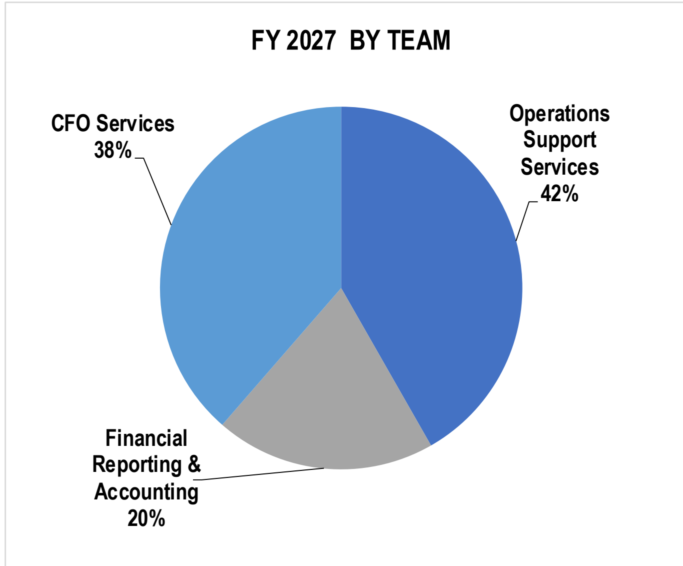
Project Description	External Auditor Services	Financial Management Consulting Services	Investment Advisor Services	Financial Advisor Services	Grants Management Support/Risk Assessment	Total of Significant Contracts
Prime Consultant or Supplier	Baker Tilly US LLP	Willdan Financial Services	PFM Asset Management LLC	PFM Financial Advisors LLC	Berry, Dunn, McNeil, & Parker, LLC	
Contract #	SCN-0000651	2300826	SCN-0000189	2204949	SCN-0000668	
Contract Amount	$ 8,000,000	$ 2,979,100	$ 2,200,000	$ 4,156,300	$ 150,000	
Contract End Date	06/11/28	08/31/29	03/31/26	06/30/28	07/31/26	
Cost Center Name	Financial Reporting & Accounting	CFO Services and Financial Management & Planning	Treasury	CFO Services	CFO Services	
Expense Category	Auditing	Contractual Professional Services	Contractual Professional Services	Contractual Professional Services	Contractual Professional Services	
Pre-FY 2025 Spend	$ 1,011,500	$ -	$ 1,153,700	$ 585,500	**$ -**	
Pre-FY 2025 Average Spend (*)	252,900	-	230,700	97,600	-	
FY 2025 Spend	222,700	288,500	248,800	77,700	-	837,700
FY 2026 Amended	322,000	271,800	440,000	60,000	150,000	1,243,800
FY 2027	**256,700**	**290,000**	**425,000**	**67,000**	**150,000**	**1,188,700**
FY 2028	256,700	290,000	425,000	67,600	150,000	1,189,300
FY 2029	256,700	292,000	425,000	68,200	150,000	1,191,900
FY 2030	270,000	292,000	425,000	68,800	150,000	1,205,800
FY 2031	270,000	292,000	425,000	69,400	150,000	1,206,400
Total	**$ 2,866,300**	**$ 2,016,300**	**$ 3,967,500**	**$ 1,064,200**	**$ 900,000**	**$ 8,063,600**

Organization

The Financial Services Area includes seven teams that fall within the three group classifications.

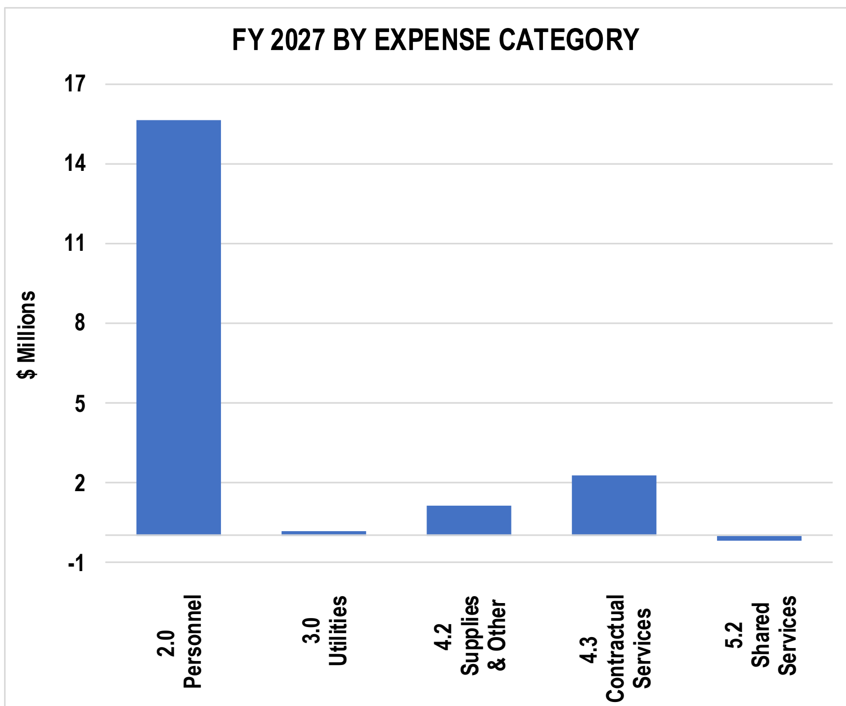
CFO Services

- **Chief Financial Officer**
  Financial Management & Planning
  CFO Services
  Treasury
- **Operations Support Services**
  Procurement Director
  Logistics and Materials
- **Financial Reporting & Accounting**
  Financial Reporting & Accounting is reported under one team, and it includes construction, general ledger, accounts payable, payroll and asset management.



Expense Categories

The primary expense category in Financial Services is Personnel. The second largest category is Contractual Services for project management support, and other special projects, studies, and audits.



Biennial Budget Request

The biennial budget reflects an overall increase of $40,900, or 0.2%. The primary reason for the increase is highlighted below.

- Personnel – The Financial Services area has increased the Staffing Plan from 133 in FY 2026 to 134 in the FY 2027 Budget. The main teams driving the increase of 1 is Logistics and Materials with the addition of a Management Professional. The net increase in the number of FTEs (3.25) is the result of filling vacant positions. Merit increases and market adjustments have also increased the starting point for FY 2027.
- Contract Services decreased $0.5 million due to the conclusion of a management consulting services contract.

Biennial Budget Request by Expense Category

Expense Category	FY 2025 Actual	FY 2026 Amended	FY 2026 Activity as of	FY 2027 Proposed	FY 2027 Dollar Variance	FY 2027 Percent	FY 2028 Proposed
2.0 Personnel	$ 14,424,620	$ 15,123,300	$ 4,131,731	**$ 15,650,900**	**$ 527,600**	**3.5%**	$ 15,863,900
3.0 Utilities	153,535	206,200	15,870	**199,600**	**(6,600)**	**-3.2%**	203,500
4.2 Supplies & Other	774,870	1,143,400	279,916	**1,144,100**	**700**	**0.1%**	1,166,800
4.3 Contractual Services	2,897,466	2,742,000	721,255	**2,267,500**	**(474,500)**	**-17.3%**	2,296,100
5.2 Shared Services	(165,431)	(174,400)	(40,467)	**(180,700)**	**(6,300)**	**3.6%**	(184,200)
Grand Total	**$ 18,085,060**	**$ 19,040,500**	**$ 5,108,305**	**$ 19,081,400**	**$ 40,900**	**0.2%**	**$ 19,346,100**

Biennial Budget Request by Team

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
CFO Services	**$ 7,584,490**	**$ 7,596,300**	**$ 2,136,568**	**$ 7,366,200**	**$ (230,100)**	**-3.0%**	**$ 7,461,400**
Chief Financial Officer	2,351,768	1,483,600	625,093	**1,323,900**	**(159,700)**	**-10.8%**	1,326,000
CFO Services	2,515,917	2,844,400	726,274	**2,935,400**	**91,000**	**3.2%**	3,016,400
Financial Management & Planning	2,042,671	2,288,000	581,457	**2,169,100**	**(118,900)**	**-5.2%**	2,172,900
Treasury	674,134	980,300	203,744	**937,800**	**(42,500)**	**-4.3%**	946,100
Operations Support Services	**7,006,224**	**7,748,000**	**1,971,103**	**7,964,200**	**216,200**	**2.8%**	**8,104,200**
Procurement Director	3,947,218	4,379,100	1,065,819	**4,326,300**	**(52,800)**	**-1.2%**	4,438,700
Logistics and Materials	3,059,006	3,368,900	905,284	**3,637,900**	**269,000**	**8.0%**	3,665,500
Financial Reporting & Accounting	**3,494,346**	**3,696,200**	**1,000,634**	**3,751,000**	**54,800**	**1.5%**	**3,780,500**
Grand Total	**$ 18,085,060**	**$ 19,040,500**	**$ 5,108,305**	**$ 19,081,400**	**$ 40,900**	**0.2%**	**$ 19,346,100**

Personnel Budget

The staffing plan had a net increase of one position to 134 in FY 2027 for 1 Management Professional in Logistics & Materials. The 3.25 increase in the number of positions budgeted (FTEs) in FY 2027 was driven by filling vacant positions.

Staffing Plan - The following table presents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.

Staffing Plan – Number of Positions (includes interns)

	Staffing Plan						
Operating Area and Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular	**126.00**	**127.00**	**128.00**	**128.00**	**128.00**	**128.00**	**128.00**
Chief Financial Officer	5.00	7.00	6.00	6.00	6.00	6.00	6.00
Financial Management & Planning	12.00	11.00	12.00	12.00	12.00	12.00	12.00
Financial Reporting & Accounting	27.00	26.00	26.00	26.00	26.00	26.00	26.00
Logistics and Materials	25.00	25.00	26.00	26.00	26.00	26.00	26.00
Procurement Director	35.00	35.00	35.00	35.00	35.00	35.00	35.00
CFO Services	19.00	20.00	20.00	20.00	20.00	20.00	20.00
Treasury	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Transitional Contractor	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**
Financial Reporting & Accounting	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Intern	**0.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**	**5.00**
Financial Management & Planning	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Logistics and Materials	**0.00**	3.00	2.00	2.00	2.00	2.00	2.00
CFO Services	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Grand Total	**127.00**	**133.00**	**134.00**	**134.00**	**134.00**	**134.00**	**134.00**

Full Time Equivalents - The following table represents "full-time equivalent" (FTE) staffing. FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year. For this budget area, the number of budgeted positions, or FTEs, increased by 3.25 for FY 2027 compared to the FY 2026 Budget.

F*ull Time Equivalents (includes interns)*

	Full Time Equivalents (FTEs)						
Operating Area and Team	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Financial Officer	**120.75**	**122.00**	**125.25**	**127.00**	**128.25**	**128.25**	**128.25**
Chief Financial Officer	4.50	6.50	5.50	5.50	5.50	5.50	5.50
Financial Management & Planning	12.00	11.00	13.00	13.00	13.00	13.00	13.00
Financial Reporting & Accounting	26.75	25.50	26.25	26.50	27.00	27.00	27.00
Logistics and Materials	25.00	25.00	26.50	26.50	26.50	26.50	26.50
Procurement Director	31.25	32.00	32.00	33.00	33.75	33.75	33.75
CFO Services	18.25	19.00	19.00	19.50	19.50	19.50	19.50
Treasury	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Grand Total	**120.75**	**122.00**	**125.25**	**127.00**	**128.25**	**128.25**	**128.25**

Personnel Budget – The following tables present the Financial Services personnel budget by expense category and by team. The tables are presented for both the biennial budget and by five-year financial plan. These values for the personnel budget are based on the full-time equivalents table above using current pay levels. Wage and benefit adjustments are based on merit increases and are included in the Unallocated Reserve line item for the Administrative Services Operating Area which is shown in detail in Section 5 - Operating Financial Plans by Service Area.

Personnel – Biennial Budget Request by Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	Actual	Amended	Activity as of	Proposed	Dollar	Percent	Proposed
2.1 Salaries & Wages	$ 10,963,248	$ 11,414,200	$ 3,130,496	**$ 11,777,700**	**$ 363,500**	**3.2%**	$ 11,913,800
2.2 Workforce Development	17,923	97,200	10,379	**70,900**	**(26,300)**	**-27.1%**	70,900
2.3 Overtime	4,099	5,700	913	**5,800**	**100**	**1.8%**	5,800
2.4 Employee Benefits	3,399,060	3,567,800	989,942	**3,796,500**	**228,700**	**6.4%**	3,873,400
2.5 Transition Services	40,290	38,400	-	**-**	**(38,400)**	**-100.0%**	-
Grand Total	**$ 14,424,620**	**$ 15,123,300**	**$ 4,131,731**	**$ 15,650,900**	**$ 527,600**	**3.5%**	**$ 15,863,900**

Personnel – Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended	Activity as of	Proposed	Dollar	Percent	Proposed
CFO Services	**$ 5,215,783**	**$ 5,447,300**	**$ 1,525,605**	**$ 5,679,800**	**$ 232,500**	**4.3%**	**$ 5,751,800**
Chief Financial Officer	**1,199,087**	**1,206,200**	**350,722**	**1,028,700**	**(177,500)**	**-14.7%**	**1,030,100**
CFO Services	**2,095,090**	**2,262,800**	**618,567**	**2,436,700**	**173,900**	**7.7%**	**2,503,900**
Financial Management & Planning	**1,534,871**	**1,585,400**	**447,724**	**1,820,100**	**234,700**	**14.8%**	**1,822,800**
Treasury	**386,735**	**392,900**	**108,591**	**394,300**	**1,400**	**0.4%**	**395,000**
Operations Support Services	**6,038,984**	**6,391,200**	**1,705,118**	**6,600,800**	**209,600**	**3.3%**	**6,713,800**
Procurement Director	**3,742,507**	**4,105,700**	**1,044,391**	**4,058,200**	**(47,500)**	**-1.2%**	**4,165,300**
Logistics and Materials	**2,296,477**	**2,285,500**	**660,727**	**2,542,600**	**257,100**	**11.2%**	**2,548,500**
Financial Reporting & Accounting	**3,169,853**	**3,284,800**	**901,008**	**3,370,300**	**85,500**	**2.6%**	**3,398,300**
Grand Total	**$ 14,424,620**	**$ 15,123,300**	**$ 4,131,731**	**$ 15,650,900**	**$ 527,600**	**3.5%**	**$ 15,863,900**

Personnel – Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
2.1 Salaries & Wages	$ 10,963,248	$ 11,414,200	**$ 11,777,700**	$ 11,913,800	$ 12,002,200	$ 12,002,200	$ 12,002,200
2.2 Workforce Development	17,923	97,200	**70,900**	70,900	70,900	70,900	70,900
2.3 Overtime	4,099	5,700	**5,800**	5,800	5,800	5,800	5,800
2.4 Employee Benefits	3,399,060	3,567,800	**3,796,500**	3,873,400	3,935,800	3,964,800	3,994,100
2.5 Transition Services	40,290	38,400	**-**	-	-	-	-
Grand Total	**$ 14,424,620**	**$ 15,123,300**	**$ 15,650,900**	**$ 15,863,900**	**$ 16,014,700**	**$ 16,043,700**	**$ 16,073,000**

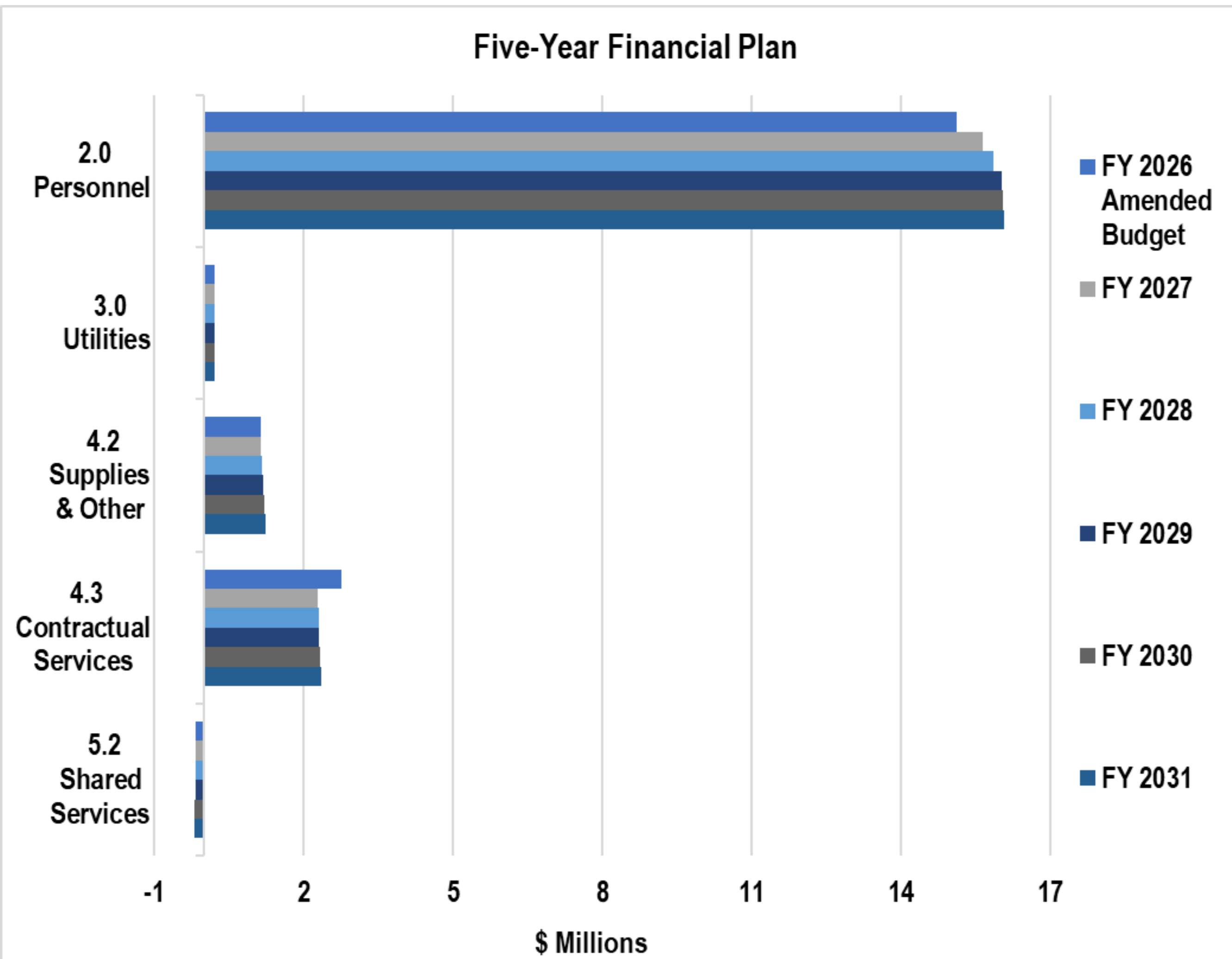
Personnel – Five-Year Financial Plan by Team

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
CFO Services	**$ 5,215,783**	**$ 5,447,300**	**$ 5,679,800**	**$ 5,751,800**	**$ 5,761,000**	**$ 5,770,100**	**$ 5,779,400**
Chief Financial Officer	**1,199,087**	**1,206,200**	**1,028,700**	**1,030,100**	**1,031,500**	**1,032,900**	**1,034,300**
CFO Services	**2,095,090**	**2,262,800**	**2,436,700**	**2,503,900**	**2,508,300**	**2,512,600**	**2,517,000**
Financial Management & Planning	**1,534,871**	**1,585,400**	**1,820,100**	**1,822,800**	**1,825,600**	**1,828,300**	**1,831,100**
Treasury	**386,735**	**392,900**	**394,300**	**395,000**	**395,600**	**396,300**	**397,000**
Operations Support Services	**6,038,984**	**6,391,200**	**6,600,800**	**6,713,800**	**6,804,900**	**6,818,600**	**6,832,400**
Procurement Director	**3,742,507**	**4,105,700**	**4,058,200**	**4,165,300**	**4,250,400**	**4,258,100**	**4,265,900**
Logistics and Materials	**2,296,477**	**2,285,500**	**2,542,600**	**2,548,500**	**2,554,500**	**2,560,500**	**2,566,500**
Financial Reporting &	**3,169,853**	**3,284,800**	**3,370,300**	**3,398,300**	**3,448,800**	**3,455,000**	**3,461,200**
Grand Total	**$ 14,424,620**	**$ 15,123,300**	**$ 15,650,900**	**$ 15,863,900**	**$ 16,014,700**	**$ 16,043,700**	**$ 16,073,000**

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
2.0 Personnel	$ 14,424,620	$ 15,123,300	**$ 15,650,900**	$ 15,863,900	$ 16,014,700	$ 16,043,700	$ 16,073,000
3.0 Utilities	153,535	$ 206,200	**199,600**	203,500	207,600	211,700	213,400
4.2 Supplies & Other	774,870	1,143,400	**1,144,100**	1,166,800	1,191,900	1,215,800	1,238,200
4.3 Contractual Services	2,897,466	2,742,000	**2,267,500**	2,296,100	2,301,900	2,335,100	2,343,400
5.2 Shared Services	(165,431)	(174,400)	**(180,700)**	(184,200)	(188,000)	(191,900)	(196,000)
Grand Total	**$ 18,085,060**	**$ 19,040,500**	**$ 19,081,400**	**$ 19,346,100**	**$ 19,528,100**	**$ 19,614,400**	**$ 19,672,000**

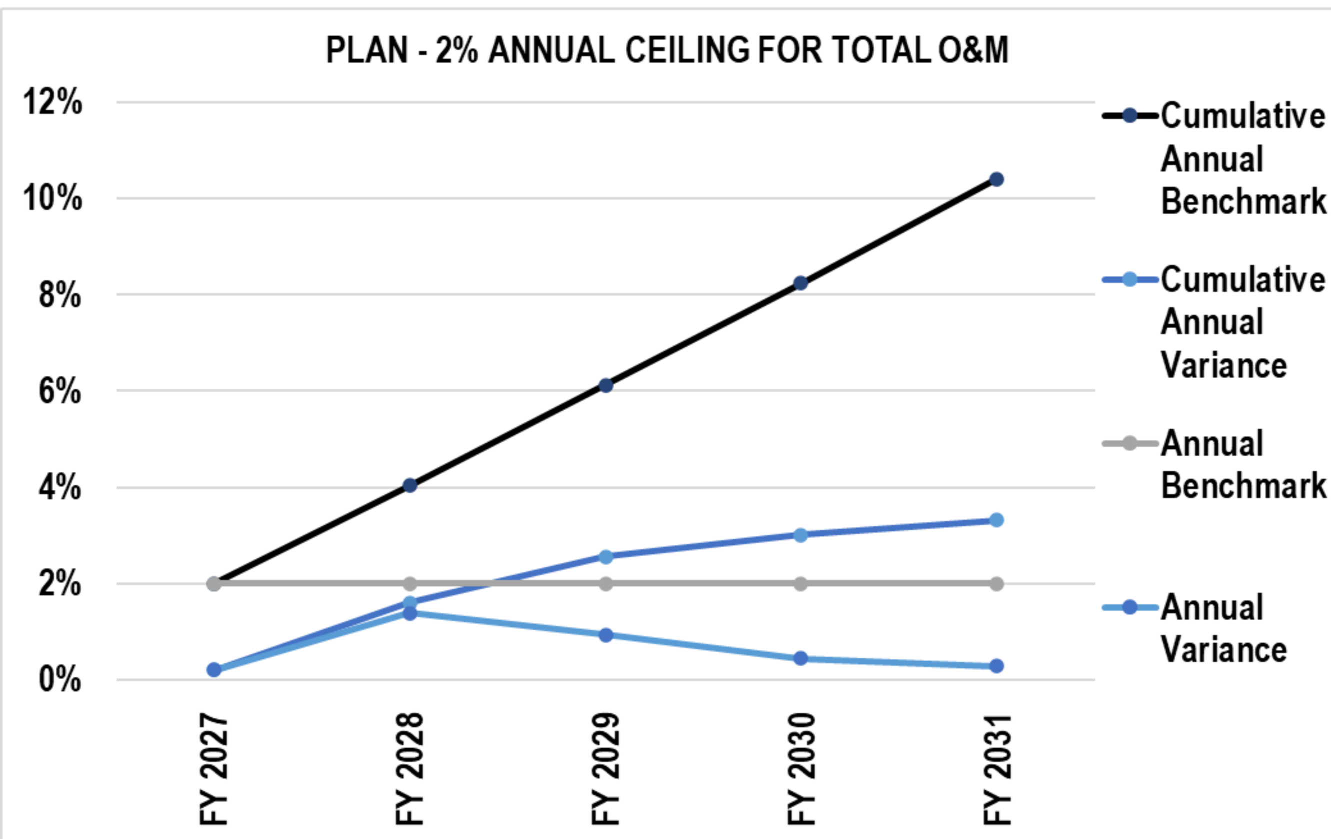


Five-Year Financial Plan by Team

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
CFO Services	**$ 7,584,490**	**$ 7,596,300**	**$ 7,366,200**	**$ 7,461,400**	**$ 7,470,900**	**$ 7,494,100**	**$ 7,502,400**
Chief Financial Officer	2,351,768	1,483,600	**1,323,900**	1,326,000	1,328,200	1,332,000	1,333,800
CFO Services	2,515,917	2,844,400	**2,935,400**	3,016,400	3,014,700	3,033,200	3,034,100
Financial Management & Planning	2,042,671	2,288,000	**2,169,100**	2,172,900	2,178,800	2,182,600	2,186,200
Treasury	674,134	980,300	**937,800**	946,100	949,200	946,300	948,300
Operations Support Services	**7,006,224**	**7,748,000**	**7,964,200**	**8,104,200**	**8,222,900**	**8,264,700**	**8,304,700**
Procurement Director	3,947,218	4,379,100	**4,326,300**	4,438,700	4,529,200	4,542,500	4,555,900
Logistics and Materials	3,059,006	3,368,900	**3,637,900**	3,665,500	3,693,700	3,722,200	3,748,800
Financial Reporting &	**3,494,346**	**3,696,200**	**3,751,000**	**3,780,500**	**3,834,300**	**3,855,600**	**3,864,900**
Grand Total	**$ 18,085,060**	**$ 19,040,500**	**$ 19,081,400**	**$ 19,346,100**	**$ 19,528,100**	**$ 19,614,400**	**$ 19,672,000**

Alignment with Entity-wide Annual O&M Ceiling Goal of 2%

The Financial Services area financial plan reflects a five-year overall increase of 3.3% while the entity-wide goal is a cumulative 10.4% for planning purposes based upon an annual 2% adjustment.



Capital Outlay

Capital Outlay is not a component of the Financial Services Area for FY 2027 through FY 2031.

Line-Item Budget and Financial Plan

The five-year plan line-item expense budget is presented on the following pages. The expenses are listed for each cost center. Because many of GLWA's initiatives extend multiple years, this planning document provides the information to smooth out expenses over time and/or plan for annual fluctuations.

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
884001 Chief Financial Officer	**$ 2,351,768**	**$ 1,483,600**	**$ 1,323,900**	**$ 1,326,000**	**$ 1,328,200**	**$ 1,332,000**	**$ 1,333,800**
2.1 Salaries & Wages	**971,008**	**950,700**	**806,400**	**806,400**	**806,400**	**806,400**	**806,400**
2.4 Employee Benefits	**228,079**	**255,500**	**222,300**	**223,700**	**225,100**	**226,500**	**227,900**
4.2 Supplies & Other	**23,878**	**46,600**	**41,400**	**42,100**	**42,900**	**43,600**	**43,900**
Memberships, Licenses & Subscriptions	7,555	11,400	9,000	9,200	9,400	9,600	9,800
Mileage and Parking	502	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	2,761	10,200	7,000	7,000	7,100	7,100	7,200
Operating Supplies	924	-	-	-	-	-	-
Postage	127	200	200	200	200	200	200
Printing	234	-	-	-	-	-	-
Training and Internal Meetings	3,319	11,400	11,600	11,800	12,000	12,200	12,200
Travel	8,456	12,400	12,600	12,900	13,200	13,500	13,500
4.3 Contractual Services	**1,128,803**	**230,800**	**253,800**	**253,800**	**253,800**	**255,500**	**255,600**
Contractual Operating Services	317	800	500	500	500	500	600
Contractual Professional Services	1,128,486	230,000	253,300	253,300	253,300	255,000	255,000
884111 Financial Reporting & Accounting	**3,494,346**	**3,696,200**	**3,751,000**	**3,780,500**	**3,834,300**	**3,855,600**	**3,864,900**
2.1 Salaries & Wages	**2,395,036**	**2,479,600**	**2,554,100**	**2,569,800**	**2,601,500**	**2,601,500**	**2,601,500**
2.4 Employee Benefits	**734,527**	**766,800**	**816,200**	**828,500**	**847,300**	**853,500**	**859,700**
2.5 Transition Services	**40,290**	**38,400**	**-**	**-**	**-**	**-**	**-**
4.2 Supplies & Other	**29,730**	**52,000**	**52,200**	**52,800**	**54,500**	**55,300**	**56,800**
Janitorial	48	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	7,917	7,400	8,500	8,600	8,700	8,800	8,900
Mileage and Parking	891	1,000	1,000	1,000	1,000	1,000	1,000
Miscellaneous Expense	760	-	-	-	-	-	-
Office Supplies	4,030	7,000	6,000	6,100	6,200	6,300	6,400
Operating Supplies	719	-	-	-	-	-	-
Postage	4,853	8,000	8,200	8,300	8,500	8,700	8,700
Training and Internal Meetings	2,192	17,000	11,000	11,000	12,000	12,000	13,000
Travel	8,320	9,000	15,000	15,300	15,600	15,900	16,200
Tuition Refund	-	2,600	2,500	2,500	2,500	2,600	2,600
4.3 Contractual Services	**294,763**	**359,400**	**328,500**	**329,400**	**331,000**	**345,300**	**346,900**
Auditing	222,658	326,400	256,700	256,700	256,700	270,000	270,000
Contractual Operating Services	41,936	30,000	46,500	47,400	48,500	49,500	50,500
Contractual Professional Services	30,169	3,000	25,300	25,300	25,800	25,800	26,400

(*continued on next page*)

Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center &	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
884113 Financial Management & Planning	**$ 2,042,671**	**$ 2,288,000**	**$ 2,169,100**	**$ 2,172,900**	**$ 2,178,800**	**$ 2,182,600**	**$ 2,186,200**
2.1 Salaries & Wages	**1,187,719**	**1,225,500**	**1,373,400**	**1,373,400**	**1,373,400**	**1,373,400**	**1,373,400**
2.2 Workforce Development	**5,018**	**-**	**36,500**	**36,500**	**36,500**	**36,500**	**36,500**
2.4 Employee Benefits	**342,134**	**359,900**	**410,200**	**412,900**	**415,700**	**418,400**	**421,200**
4.2 Supplies & Other	**10,830**	**20,800**	**19,000**	**19,300**	**19,600**	**19,900**	**19,900**
Memberships, Licenses & Subscriptions	2,713	5,100	3,500	3,500	3,500	3,500	3,500
Mileage and Parking	375	400	400	400	400	400	400
Office Supplies	348	1,000	500	500	500	500	500
Printing	125	-	-	-	-	-	-
Training and Internal Meetings	2,400	8,200	8,400	8,600	8,800	9,000	9,000
Travel	4,869	6,100	6,200	6,300	6,400	6,500	6,500
4.3 Contractual Services	**496,970**	**681,800**	**330,000**	**330,800**	**333,600**	**334,400**	**335,200**
Contractual Professional Services	496,970	681,800	330,000	330,800	333,600	334,400	335,200
884121 Procurement Director	**3,947,218**	**4,379,100**	**4,326,300**	**4,438,700**	**4,529,200**	**4,542,500**	**4,555,900**
2.1 Salaries & Wages	**2,859,232**	**3,135,400**	**3,071,000**	**3,143,900**	**3,200,600**	**3,200,600**	**3,200,600**
2.4 Employee Benefits	**883,275**	**970,300**	**987,200**	**1,021,400**	**1,049,800**	**1,057,500**	**1,065,300**
4.2 Supplies & Other	**95,604**	**141,100**	**133,100**	**135,700**	**138,400**	**141,100**	**143,800**
Advertising	225	500	500	500	500	500	500
Memberships, Licenses & Subscriptions	28,286	42,500	43,400	44,300	45,200	46,100	47,000
Mileage and Parking	447	1,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	5,115	13,100	13,400	13,700	14,000	14,300	14,600
Operating Supplies	5,261	7,000	7,100	7,200	7,300	7,400	7,500
Postage	52	100	100	100	100	100	100
Training and Internal Meetings	38,250	41,300	42,100	42,900	43,800	44,700	45,600
Travel	17,392	30,600	25,500	26,000	26,500	27,000	27,500
Tuition Refund	576	5,000	-	-	-	-	-
4.3 Contractual Services	**109,107**	**132,300**	**135,000**	**137,700**	**140,400**	**143,300**	**146,200**
Contractual Operating Services	57,790	59,100	60,300	61,500	62,700	64,000	65,300
Contractual Professional Services	51,317	73,200	74,700	76,200	77,700	79,300	80,900

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
884124 Logistics and Materials	**$ 3,059,006**	**$ 3,368,900**	**$ 3,637,900**	**$ 3,665,500**	**$ 3,693,700**	**$ 3,722,200**	**$ 3,748,800**
2.1 Salaries & Wages	**1,668,722**	**1,650,000**	**1,836,600**	**1,836,600**	**1,836,600**	**1,836,600**	**1,836,600**
2.2 Workforce Development	**-**	**24,200**	**16,100**	**16,100**	**16,100**	**16,100**	**16,100**
2.3 Overtime	**1,492**	**5,700**	**5,800**	**5,800**	**5,800**	**5,800**	**5,800**
2.4 Employee Benefits	**626,263**	**605,600**	**684,100**	**690,000**	**696,000**	**702,000**	**708,000**
3.1 Electric	**89,124**	**114,400**	**116,700**	**119,000**	**121,400**	**123,800**	**123,800**
3.2 Gas	**61,394**	**55,800**	**72,300**	**73,700**	**75,200**	**76,700**	**78,200**
3.3 Sewage Service	**1,894**	**25,100**	**6,500**	**6,600**	**6,700**	**6,800**	**6,900**
3.4 Water Service	**1,123**	**10,900**	**4,100**	**4,200**	**4,300**	**4,400**	**4,500**
4.2 Supplies & Other	**576,240**	**826,600**	**844,100**	**860,900**	**878,000**	**895,400**	**913,200**
Buildings & Ground Repairs & Maintenance	5,777	35,000	35,700	36,400	37,100	37,800	38,600
Buildings-All Sewer	471,542	523,600	534,100	544,800	555,700	566,800	578,100
Capital Outlay less than $5,000	-	2,000	2,000	2,000	2,000	2,000	2,000
Equipment Repairs & Maintenance	498	8,500	8,700	8,900	9,100	9,300	9,500
Facilities Repairs & Maintenance	24,035	-	-	-	-	-	-
Janitorial	120	-	-	-	-	-	-
Mileage and Parking	-	500	500	500	500	500	500
Miscellaneous Rentals	792	-	-	-	-	-	-
Office Supplies	6,064	23,500	24,000	24,500	25,000	25,500	26,000
Operating Supplies	19,558	56,000	57,100	58,200	59,400	60,600	61,800
Postage	1,427	-	1,000	1,000	1,000	1,000	1,000
Property Taxes	(65,368)	-	-	-	-	-	-
Property Taxes-All Sewer	109,651	160,000	163,200	166,500	169,800	173,200	176,700
Training and Internal Meetings	-	2,000	2,000	2,000	2,000	2,000	2,000
Travel	-	5,100	5,200	5,300	5,400	5,500	5,600
Uniforms, Laundry, Cleaning	2,144	10,400	10,600	10,800	11,000	11,200	11,400
4.3 Contractual Services	**32,754**	**50,600**	**51,600**	**52,600**	**53,600**	**54,600**	**55,700**
Contractual Buildings & Grounds Maint	7,100	-	-	-	-	-	-
Contractual Buildings & Grounds Maint-A	-	5,600	5,700	5,800	5,900	6,000	6,100
Contractual Operating Services	25,654	40,000	40,800	41,600	42,400	43,200	44,100
Contractual Professional Services	-	5,000	5,100	5,200	5,300	5,400	5,500

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Line-Item Budget and Financial Plan (*continued from previous page*)

Cost Center & Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
884131 Treasury	**$ 674,134**	**$ 980,300**	**$ 937,800**	**$ 946,100**	**$ 949,200**	**$ 946,300**	**$ 948,300**
2.1 Salaries & Wages	**296,342**	**300,600**	**299,600**	**299,600**	**299,600**	**299,600**	**299,600**
2.4 Employee Benefits	**90,393**	**92,300**	**94,700**	**95,400**	**96,000**	**96,700**	**97,400**
4.2 Supplies & Other	**4,159**	**15,600**	**11,900**	**11,900**	**12,600**	**12,700**	**12,800**
Memberships, Licenses & Subscriptions	150	2,500	1,200	1,200	1,300	1,300	1,400
Mileage and Parking	56	2,000	1,000	1,000	1,000	1,000	1,000
Office Supplies	-	2,000	1,000	1,000	1,100	1,100	1,100
Operating Supplies	325	-	-	-	-	-	-
Postage	155	1,500	700	700	700	800	800
Training and Internal Meetings	1,224	2,500	4,000	4,000	4,200	4,200	4,200
Travel	507	5,100	4,000	4,000	4,300	4,300	4,300
Tuition Refund	1,742	-	-	-	-	-	-
4.3 Contractual Services	**387,371**	**681,800**	**641,600**	**649,200**	**651,000**	**647,300**	**648,500**
Contractual Operating Services	155,921	241,800	216,600	224,200	226,000	222,300	223,500
Contractual Professional Services	231,450	440,000	425,000	425,000	425,000	425,000	425,000
5.2 Shared Services	**(104,131)**	**(110,000)**	**(110,000)**	**(110,000)**	**(110,000)**	**(110,000)**	**(110,000)**
Shared Services Reimbursement	(104,131)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)
884141 CFO Services	**2,515,917**	**2,844,400**	**2,935,400**	**3,016,400**	**3,014,700**	**3,033,200**	**3,034,100**
2.1 Salaries & Wages	**1,585,189**	**1,672,400**	**1,836,600**	**1,884,100**	**1,884,100**	**1,884,100**	**1,884,100**
2.2 Workforce Development	**12,905**	**73,000**	**18,300**	**18,300**	**18,300**	**18,300**	**18,300**
2.3 Overtime	**2,607**	**-**	**-**	**-**	**-**	**-**	**-**
2.4 Employee Benefits	**494,389**	**517,400**	**581,800**	**601,500**	**605,900**	**610,200**	**614,600**
4.2 Supplies & Other	**34,429**	**40,700**	**42,400**	**44,100**	**45,900**	**47,800**	**47,800**
Advertising	330	-	-	-	-	-	-
Memberships, Licenses & Subscriptions	7,386	7,900	8,100	8,300	8,500	8,700	8,700
Mileage and Parking	1,427	500	1,600	1,600	1,600	1,600	1,600
Office Supplies	1,773	3,300	2,200	2,200	2,200	2,200	2,200
Postage	189	-	-	-	-	-	-
Training and Internal Meetings	11,677	12,000	12,600	13,200	13,900	14,600	14,600
Travel	11,647	17,000	17,900	18,800	19,700	20,700	20,700
4.3 Contractual Services	**447,698**	**605,300**	**527,000**	**542,600**	**538,500**	**554,700**	**555,300**
Contractual Operating Services	8,376	70,800	72,200	73,600	75,100	76,600	76,600
Contractual Professional Services	439,322	534,500	454,800	469,000	463,400	478,100	478,700
5.2 Shared Services	**(61,300)**	**(64,400)**	**(70,700)**	**(74,200)**	**(78,000)**	**(81,900)**	**(86,000)**
Shared Services : Salaries & Wages Reimb	(43,800)	(46,000)	(50,500)	(53,000)	(55,700)	(58,500)	(61,400)
Shared Services: Employee Benefit Reimb	(17,500)	(18,400)	(20,200)	(21,200)	(22,300)	(23,400)	(24,600)
Grand Total	**$ 18,085,060**	**$ 19,040,500**	**$ 19,081,400**	**$ 19,346,100**	**$ 19,528,100**	**$ 19,614,400**	**$ 19,672,000**

Section 6

Supplemental Analysis

Section 5 of the Biennial Budget and Five-Year Financial Plan provided a compilation of the budget at the cost center level for each operating area. This section provides additional information that has an entity-wide impact and are significant elements of the financial plan. The supplemental schedules and analysis include the following categories.

- Operations & Maintenance Historical Analysis
- Personnel Costs
- Utilities
- Bulk Chemicals
- Shared Services
- Water Residential Assistance Plan
- Legacy Commitments

Operations & Maintenance Historical Analysis

This section of the budget analysis is designed to evaluate the proposed budget in relation to past trends as well as support future operating and financial decision making. The trend analysis springs from six years of audited actual data, plus the current fiscal year budget, as well as the next two years of proposed budgets. This analysis touches on many of the same topics addressed in the other sections of the budget as listed below:

Section 1 – Operations & Maintenance Expense Trends

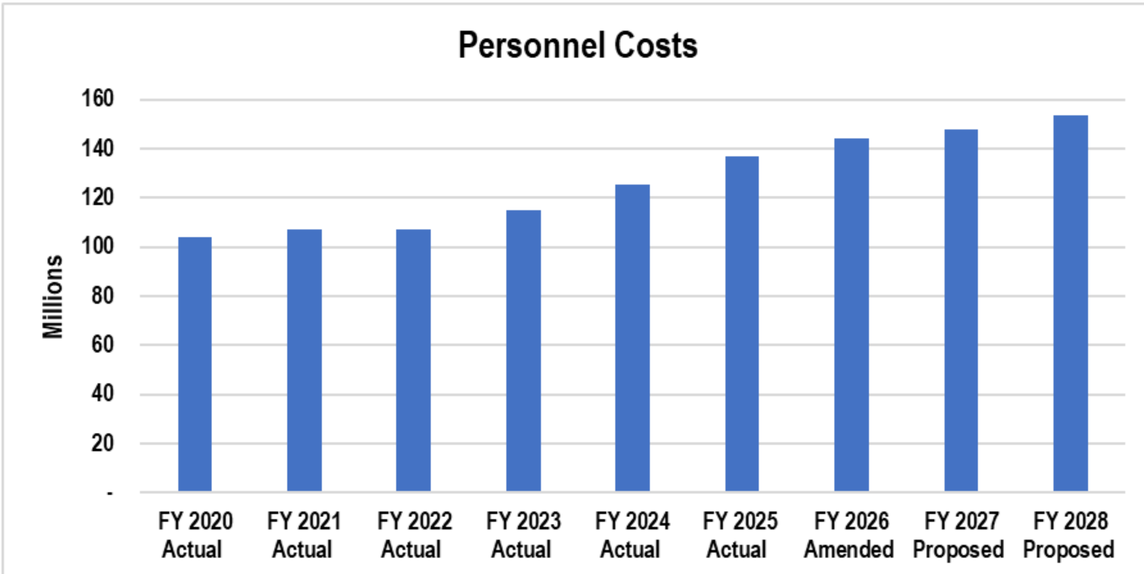
Table 1 – Total Operations & Maintenance Expense – Six Year Actual Expense, Current Year Amended Budget, and Biennial Proposed Budget ($ Millions)

Expense Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Amended	FY 2027 Proposed	FY 2028 Proposed
Personnel Costs	$ 104.3	$ 106.9	$ 107.1	$ 114.8	$ 125.5	$ 136.9	$ 144.1	$ 147.9	$ 153.4
Contractual Services	106.4	92.2	107.7	109.7	116.8	126.6	124.3	120.5	121.0
Utilities	51.2	52.7	59.7	77.3	71.9	67.1	73.1	72.4	72.3
Chemicals	14.2	14.0	20.4	30.5	31.1	34.4	37.2	34.3	35.0
Supplies & Other (includes Capital Outlay)	35.4	31.2	29.7	35.8	43.6	45.7	45.5	48.1	50.2
Budget Offsets (capital program allocation & shared services)	(5.1)	(5.9)	(5.2)	(6.4)	(5.1)	(5.5)	(5.7)	(5.8)	(4.3)
Unallocated Reserve	-	-	-	-	-	-	3.0	13.9	21.6
Grand Total	**$ 306.4**	**$ 291.2**	**$ 319.3**	**$ 361.7**	**$ 383.7**	**$ 405.2**	**$ 421.5**	**$ 431.3**	**$ 449.1**
Change From Prior Year		*-5.0%*	*9.7%*	*13.3%*	*6.1%*	*5.6%*	*4.0%*	*2.3%*	*4.1%*

Note: Contractual Services is net of intergovernmental reimbursements

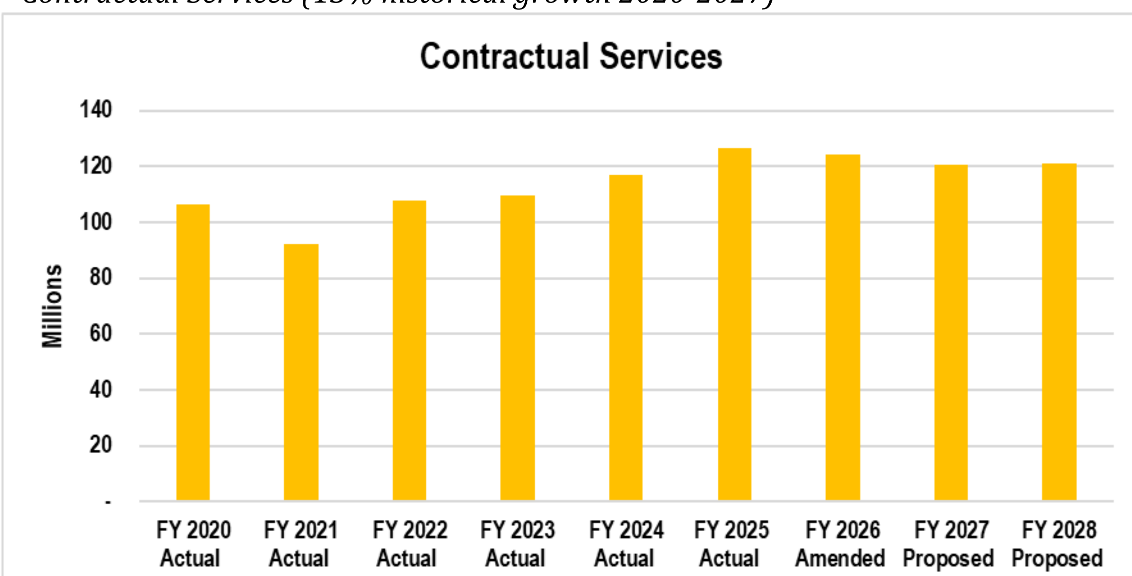
Key Takeaway: There is no one size fits all explanation for GLWA's overall increase in the budget categories over this nine-year time span. The annual expense categories, while significant, are also dynamic. While expenses are increasing overall, the year-to-year fluctuations may increase or decrease.

Chart 1 – Personnel (42% historical growth 2020-2027)



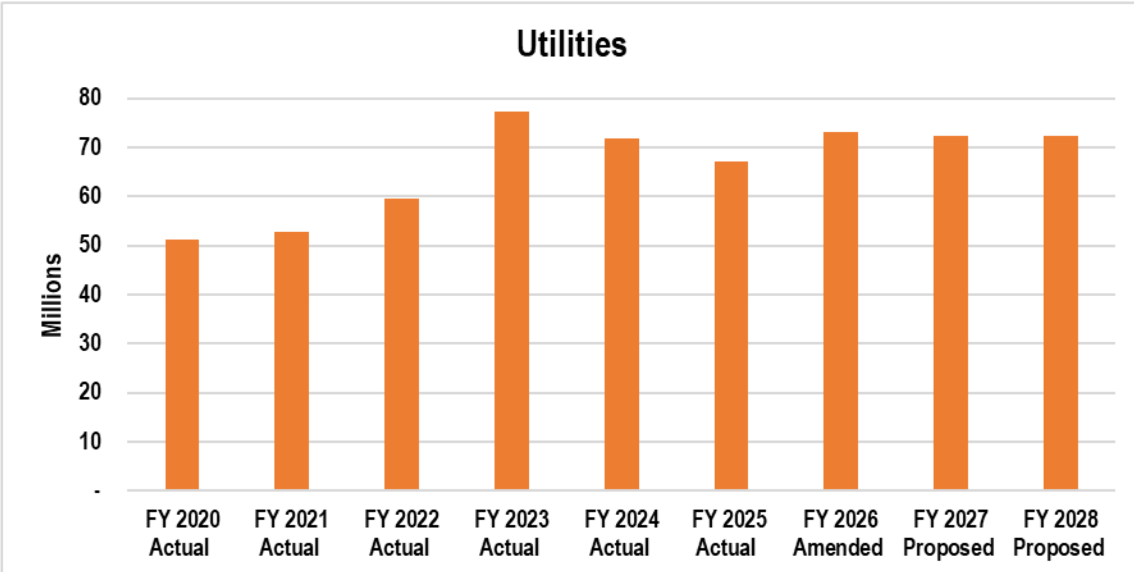
Key Takeaways: Increases in personnel costs are largely due to recruiting efforts to achieve the staffing plan as well as increases in compensation to retain team members based on market.

Chart 2 – Contractual Services (13% historical growth 2020-2027)



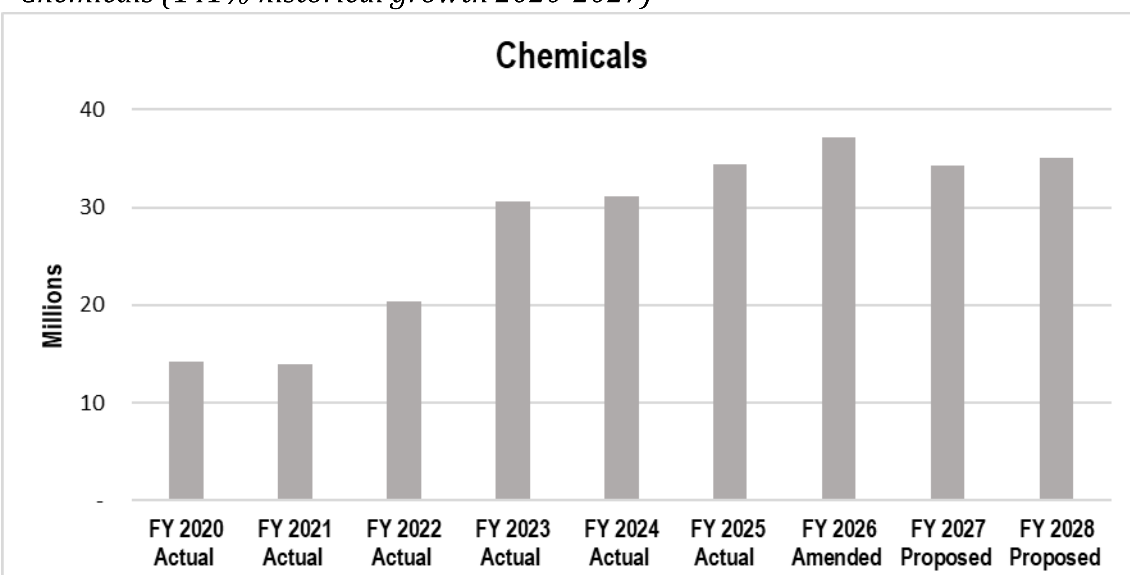
Key Takeaways: Contractual services vary as to the services provided. Some are based upon project-based initiatives, such as engineering, inspection or consulting support. Others are based upon continuing needs of staff for job classes that are considered "hard-to-fill", while others are operationally based for sludge and bio-solids disposal.

Chart 3 – Utilities (42% historical growth 2020-2027)



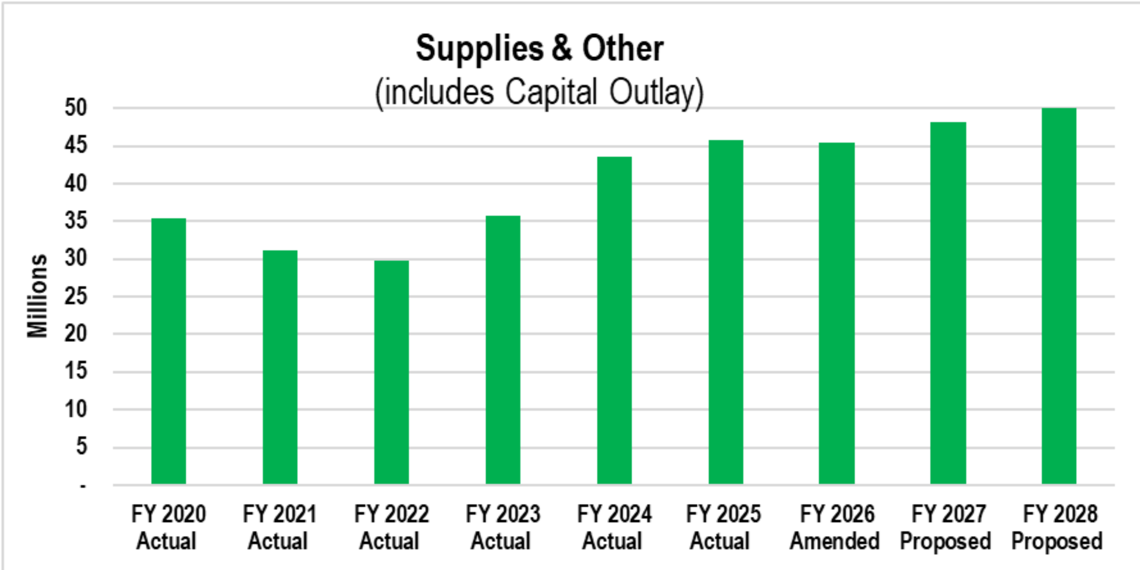
Key Takeaways: Commodity pricing for Water, Electricity and Gas has a significant impact on the annual budget. Weather patterns also affect usage. Over the time frame presented, repairs to meters have created increased accuracy. Additionally, redundancy in the electric infrastructure has increased the fixed cost of this service.

Chart 4 – Chemicals (141% historical growth 2020-2027)



Key Takeaways: The volume of chemicals used can be affected by environmental factors (source water turbidity or precipitation). The budgetary growth for chemicals is in large part due to unit price increases.

Chart 5 – Supplies & Other (36% historical growth 2020-2027)



Key Takeaways: Supplies and Other growth is primarily the result of maintenance to increase reliability and resiliency of the water and sewer systems.

Table 2 – Total Operations & Maintenance Expense – FY 2020 Actual Compared with FY 2027 Proposed Budget

	Relative % of Total		Absolute Variance FY 2020 to FY 2027					
	FY 2020	FY 2027	Increase (Decrease)			Seven Year Average		
Expense Category	**Actual**	**Proposed**		**$**		**$**		**%**
Personnel Costs	34%	34%	$	43.7	42%	$	6.2	6%
Contractual Services	35%	28%		14.1	13%		2.0	2%
Utilities	17%	17%		21.3	42%		3.0	6%
Chemicals	5%	8%		20.1	141%		2.9	20%
Supplies & Other (includes Capital Outlay)	12%	11%		12.7	36%		1.8	5%
Budget Offsets (capital program allocation & shared services)	-2%	-1%		(0.7)	14%		(0.1)	2%
Unallocated Reserve	0%	3%		13.9	100%		2.0	100%
Grand Total	**100%**	**100%**	**$**	**125.0**	**41%**	**$**	**17.9**	**6%**

Key Takeaways:

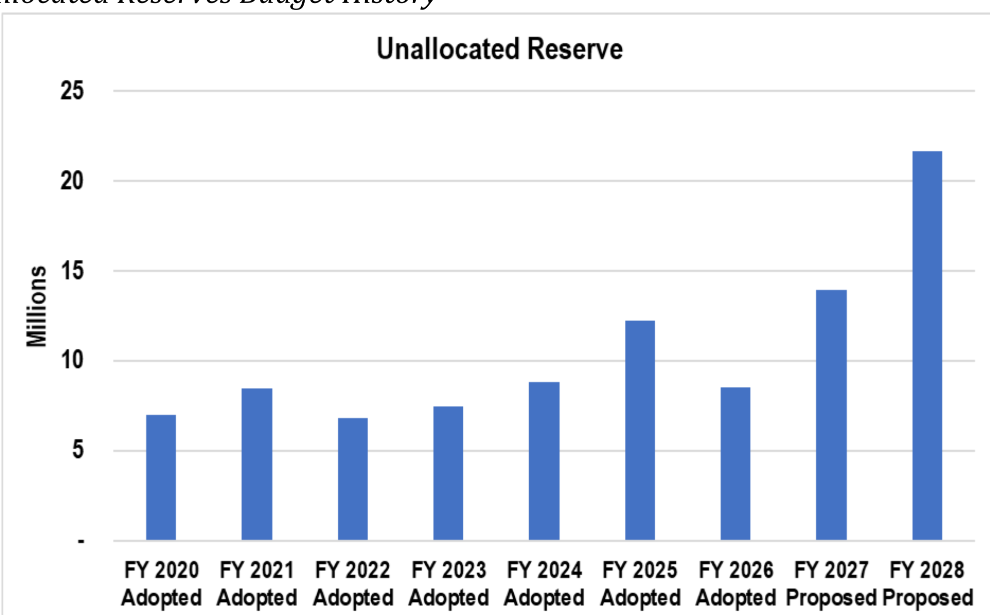
- As a "Relative % of Total" Expense, the FY 2027 Proposed allocation of expenses is similar to the FY 2020 Actual – most percentage variances are within 2%, with the exception of Contractual Services.

- When looking at the "Absolute Variance", however, more significant budget shifts become evident across nearly every category.
  - The most notable variance over time is Chemicals expense with a $20.1 million increase, or 141%, from FY 2020 to FY 2027.
  - Personnel costs are affected by several factors including staffing levels, wage adjustments and benefit increases, increasing by $43.7 million, or 42%
  - Contractual Services shows the slowest growth of $14.1 million or 13%, indicating a smaller relative reliance on outside contractors.
- The total "Absolute Variance" equates to a seven-year increase of 41% which equates to an annual average increase of 6%.

Unallocated Reserve

Unallocated Reserve reflects a reserve for unforeseen operational needs which are reallocated to line items as needed. This eliminates the need for contingency funds within individual cost center line items and provides assurance to operators that sufficient funds exist if emergencies arise. This historical graph is based on the original adopted budget for this expense category. Uses of the unallocated reserve in the past include emergency repairs, new initiatives, mid-fiscal year medical plan increases, revenue shortfalls, and items not known at the time of the budgeting process. The provision for wage adjustments, which are based on merit, can also be funded from this category. Historically, these budgeted funds have always been fully utilized (reduced to zero) through budget amendments to increase the budget in other expense categories during the year.

Chart 6 – Unallocated Reserves Budget History



Section 2 - Next Level Deeper - Trend Analysis – By Function & Expense Type

Table 3 – Operations & Maintenance Expense by Function and Expense Category – FY 2020 Actual Compared with FY 2027 Proposed Budget

				Relative % of Total		Absolute Variance FY 2020 to FY 2027			
						Increase (Decrease)		Seven Year Average	
Expense Category	**Function**	**FY 2020 Actual**	**FY 2027 Proposed**	**FY 2020 Actual**	**FY 2027 Proposed**	**$**	**%**	**$**	**%**
Personnel Costs	Water	$ 20.7	$ 30.6	30%	29%	$ 9.8	47%	$ 1.4	7%
Contractual Services	Water	12.4	16.5	18%	16%	4.1	33%	0.6	5%
Utilities	Water	27.7	33.0	40%	32%	5.4	19%	0.8	3%
Chemicals	Water	5.6	14.9	8%	14%	9.3	168%	1.3	24%
Supplies & Other	Water	4.5	7.0	7%	7%	2.5	56%	0.4	8%
Budget Offsets	Water	(2.0)	(1.8)	-3%	-2%	0.2	-8%	0.0	-1%
Unallocated Reserve	Water	-	3.4	0%	3%	3.4	100%	0.5	100%
Total Water		68.9	103.7	100%	100%	34.8	50%	5.0	7%
Personnel Costs	Sewer	36.3	45.8	34%	29%	9.6	26%	1.4	4%
Contractual Services	Sewer	23.7	31.9	22%	20%	8.2	34%	1.2	5%
Utilities	Sewer	23.4	38.9	22%	25%	15.6	67%	2.2	10%
Chemicals	Sewer	8.7	19.4	8%	12%	10.7	124%	1.5	18%
Supplies & Other	Sewer	15.9	19.7	15%	12%	3.8	24%	0.5	3%
Budget Offsets	Sewer	(2.2)	(2.1)	-2%	-1%	0.1	-3%	0.0	0%
Unallocated Reserve	Sewer	-	4.9	0%	3%	4.9	100%	0.7	100%
Total Sewer		105.8	158.6	100%	100%	52.9	50%	7.6	7%
Personnel Costs	Centralized	29.5	45.8	29%	37%	16.3	55%	2.3	8%
Contractual Services	Centralized	60.0	56.4	58%	46%	(3.5)	-6%	(0.5)	-1%
Utilities	Centralized	0.1	0.2	0%	0%	0.2	266%	0.0	38%
Supplies & Other	Centralized	13.8	18.5	13%	15%	4.7	34%	0.7	5%
Budget Offsets	Centralized	(0.7)	(1.6)	-1%	-1%	(1.0)	140%	(0.1)	20%
Unallocated Reserve	Centralized	-	4.1	0%	3%	4.1	100%	0.6	100%
Total Centralized		102.7	123.4	100%	100%	20.7	20%	3.0	3%
Personnel Costs	Administrative	17.7	25.7	61%	56%	8.0	45%	1.1	6%
Contractual Services	Administrative	10.3	15.6	35%	34%	5.3	52%	0.8	7%
Utilities	Administrative	0.0	0.2	0%	0%	0.2	605%	0.0	86%
Supplies & Other	Administrative	1.2	2.8	4%	6%	1.6	137%	0.2	20%
Budget Offsets	Administrative	(0.2)	(0.2)	-1%	0%	0.0	-11%	0.0	-2%
Unallocated Reserve	Administrative	-	1.5	0%	3%	1.5	100%	0.2	100%
Total Administrative		29.0	45.6	100%	100%	16.6	57%	2.4	8%
Grand Total		**$ 306.3**	**$ 431.3**	**100%**	**100%**	**$ 125.0**	**41%**	**$ 17.9**	**6%**

Key Takeaway: Like the previous table, as a "Relative % of Total" Expense, the FY 2027 Proposed is not much different from the FY 2020 Actual – most percentage variances are within 2-4%. When we look at the "Absolute Variance", however, more significant budget shifts become evident across nearly every category.

Water Operations – Personnel expense is the largest dollar increase at $9.8 million due to staffing levels, wages and benefit adjustments. Chemicals have increased $9.3 million due to market cost increases as well as regulatory considerations, followed by Utilities and Contractual Services at $5.4 million and $4.1 million respectively.

Sewer Operations - Utilities expense is the largest dollar increase at $15.6 million, reflecting supplier cost increases and variances in usage, followed by Chemicals at $10.7 million due to market cost increases, and Personnel at $9.6 million. Contractual Services increase, at $8.2 million has remained relatively constant as a percent of the total expenses.

Centralized Services - Personnel is the largest dollar increase at $16.3 million, followed by Supplies & Other of $4.7 million due to inflation in the market. Contractual Services was reduced by $3.5 million for certain professional services for engineering services and consumes a smaller percentage of the overall budget than in FY 2020.

Administrative Services - Personnel is the largest dollar increase at $8.0 million due to increased hiring and market adjustments, followed by Contractual Services at $5.3 million reflecting increases in costs primarily for insurance and secondarily for professional services.

In all functional areas, efforts to achieve the staffing plan have been a challenge due to competition for talent. While medical plan costs have increased over time, that has not been a key driver in cost increases in the past. In addition, GLWA utilizes a defined contribution pension plan which results in accurate budgeting and predictability of costs.

The following tables and charts depict the annual variance over a nine-year time period. Six Years Actual Expense, Current Year Amended Budget, and Proposed FY 2027 and FY 2028 Budgets.

Table 4 – Water Operations & Maintenance ($ Millions)

Expense Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Amended	FY 2027 Proposed	FY 2028 Proposed
Personnel Costs	$ 20.7	$ 21.2	$ 20.7	$ 22.2	$ 24.9	$ 28.1	$ 28.1	$ 30.6	$ 31.6
Contractual Services	12.4	11.0	14.5	13.9	13.6	15.2	19.3	16.5	15.4
Utilities	27.7	28.7	28.6	33.3	32.5	30.7	34.2	33.0	33.6
Chemicals	5.6	6.0	7.8	12.7	11.9	14.1	14.9	14.9	15.3
Supplies & Other	4.5	4.3	4.3	5.8	4.8	6.7	6.1	7.0	6.5
Budget Offsets	(2.0)	(2.0)	(1.5)	(1.1)	(1.2)	(1.5)	(1.6)	(1.8)	(0.7)
Unallocated Reserve	-	-	-	-	-	-	0.5	3.4	5.9
Total Water Operations (A)	**$ 68.9**	**$ 69.3**	**$ 74.4**	**$ 86.8**	**$ 86.6**	**$ 93.2**	**$ 101.5**	**$ 103.7**	**$ 107.6**
Change From Prior Year		*0.6%*	*7.3%*	*16.7%*	*-0.2%*	*7.6%*	*8.9%*	*2.1%*	*3.8%*

Chart 7 – Water Operations & Maintenance Expense Trend Chart

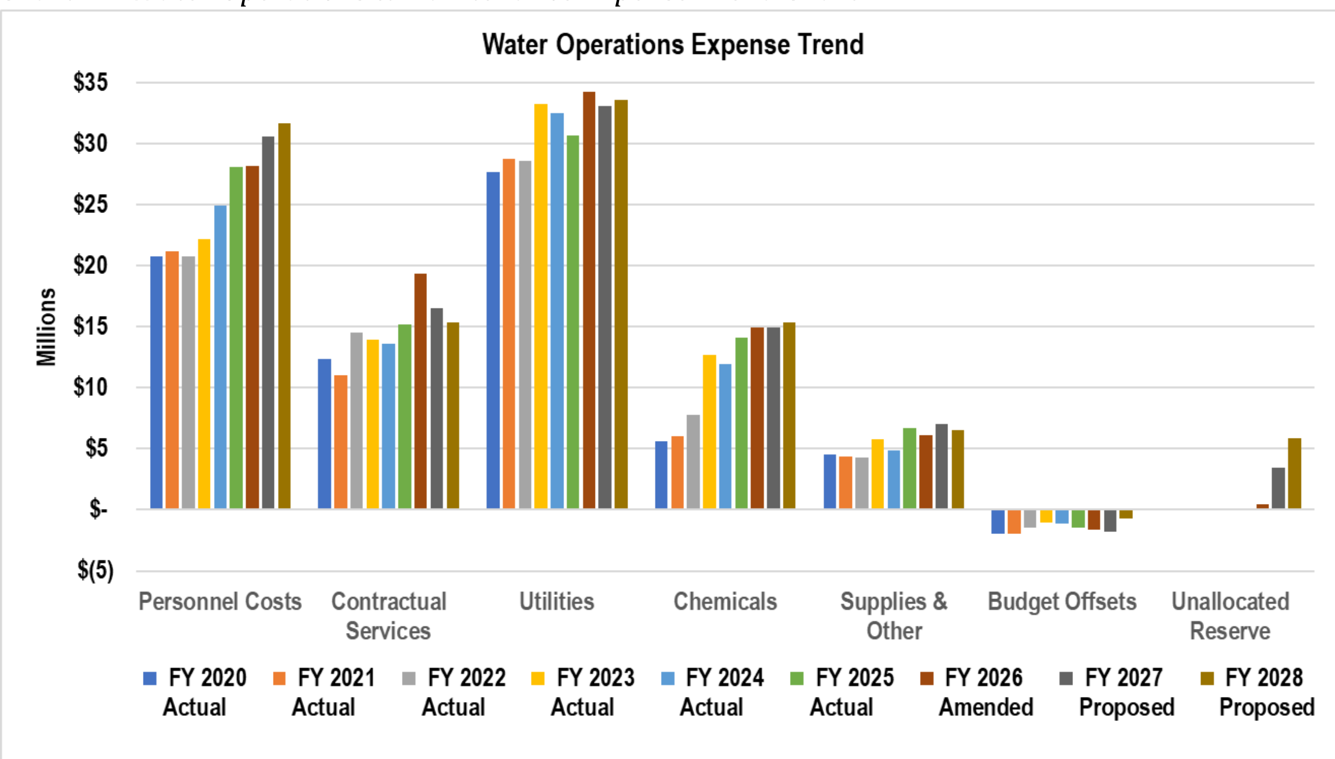


Table 5 – Sewer Operations & Maintenance

Expense Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Amended	FY 2027 Proposed	FY 2028 Proposed
Personnel Costs	$ 36.3	$ 36.6	$ 37.0	$ 38.6	$ 40.4	$ 44.2	$ 45.6	$ 45.8	$ 48.2
Contractual Services	23.7	22.6	26.1	25.4	27.0	31.0	30.4	31.9	33.1
Utilities	23.4	23.8	30.8	43.7	39.0	36.0	38.5	38.9	38.2
Chemicals	8.7	8.0	12.6	17.9	19.1	20.3	22.3	19.4	19.7
Supplies & Other	15.9	17.2	14.9	16.5	23.5	20.5	19.6	19.7	22.1
Budget Offsets	(2.2)	(1.4)	(1.8)	(2.5)	(2.9)	(2.8)	(2.3)	(2.1)	(1.7)
Unallocated Reserve	-	-	-	-	-	-	2.5	4.9	7.0
Annual Activity & Budget	$ 105.8	$ 106.8	$ 119.6	$ 139.5	$ 146.3	$ 149.1	$ 156.6	$ 158.6	$ 166.7
Change From Prior Year		*0.9%*	*12.1%*	*16.6%*	*4.8%*	*6.9%*	*5.0%*	*1.3%*	*5.1%*

Chart 8 – Sewer Operations & Maintenance Expense Trend Chart

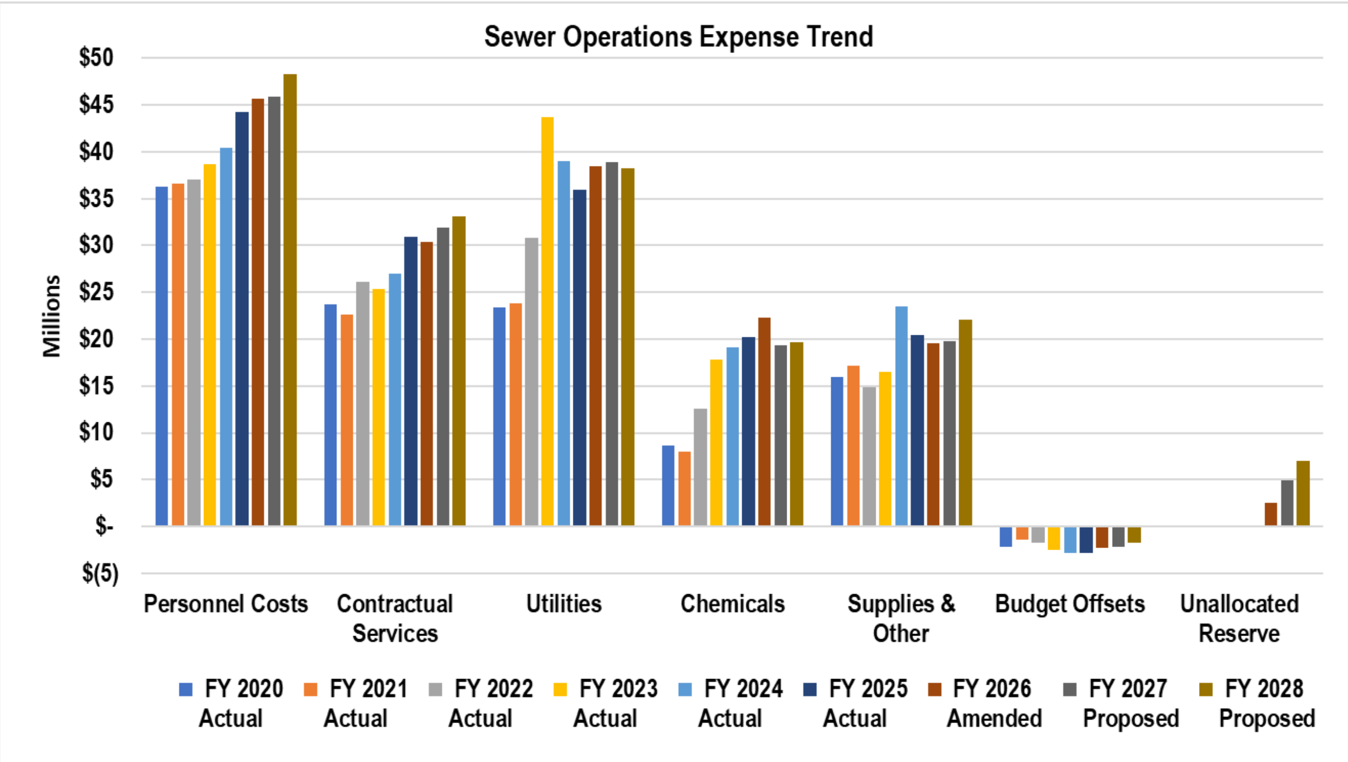


Table 6 – Centralized Services Operations & Maintenance

Expense Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Acual	FY 2026 Amended	FY 2027 Proposed	FY 2028 Proposed
Personnel Costs	$ 29.5	$ 31.2	$ 32.3	$ 34.4	$ 38.2	$ 41.2	$ 45.3	$ 45.8	$ 47.1
Contractual Services	60.0	50.2	52.0	56.5	65.9	67.1	59.3	56.4	56.6
Utilities	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Supplies & Other	13.8	8.9	9.2	11.5	12.8	16.4	17.1	18.5	18.8
Budget Offsets	(0.7)	(2.4)	(1.8)	(2.5)	(3.4)	(2.1)	(1.6)	(1.6)	(1.7)
Unallocated Reserve	-	-	-	-	-	-	-	4.1	6.1
Annual Activity & Budget	$ 102.7	$ 88.1	$ 91.9	$ 100.0	$ 113.8	$ 122.9	$ 120.3	$ 123.4	$ 127.2

Chart 9 – Centralized Services Operations & Maintenance Expense Trend Chart

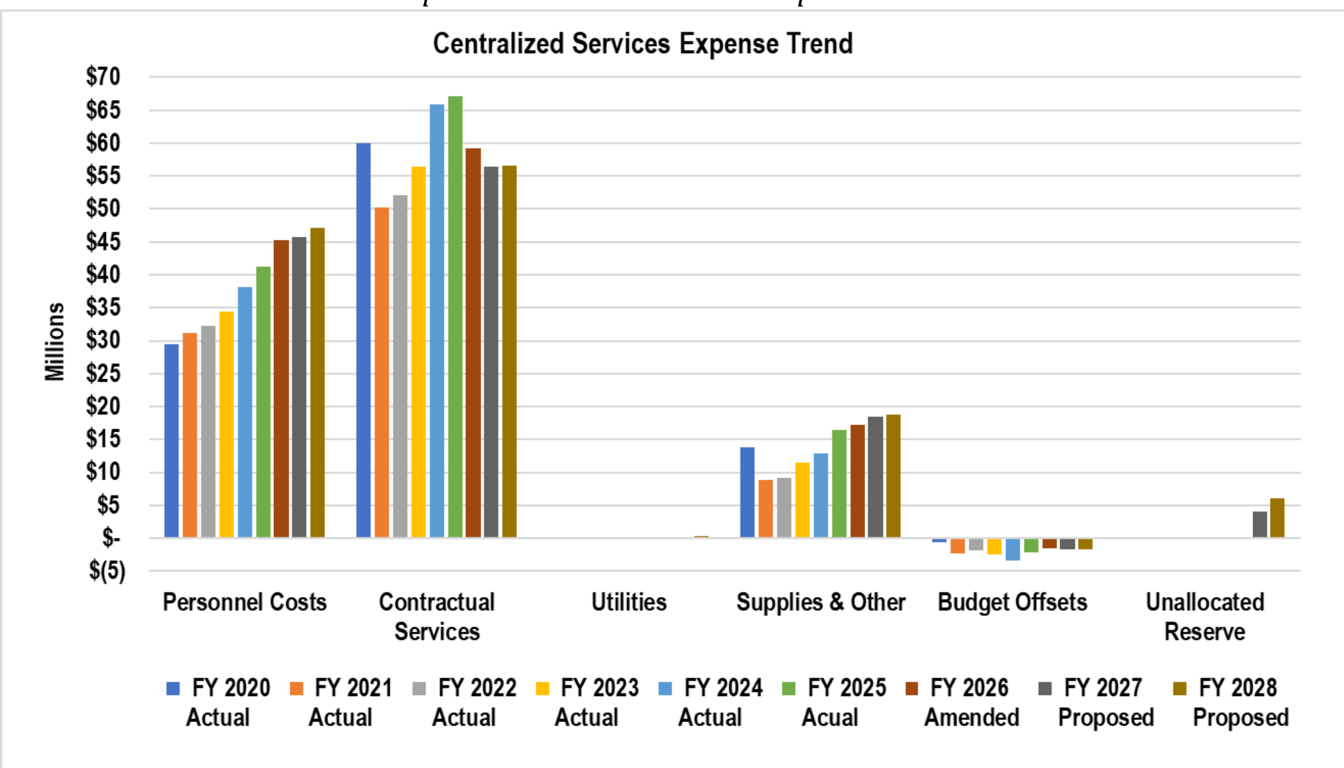
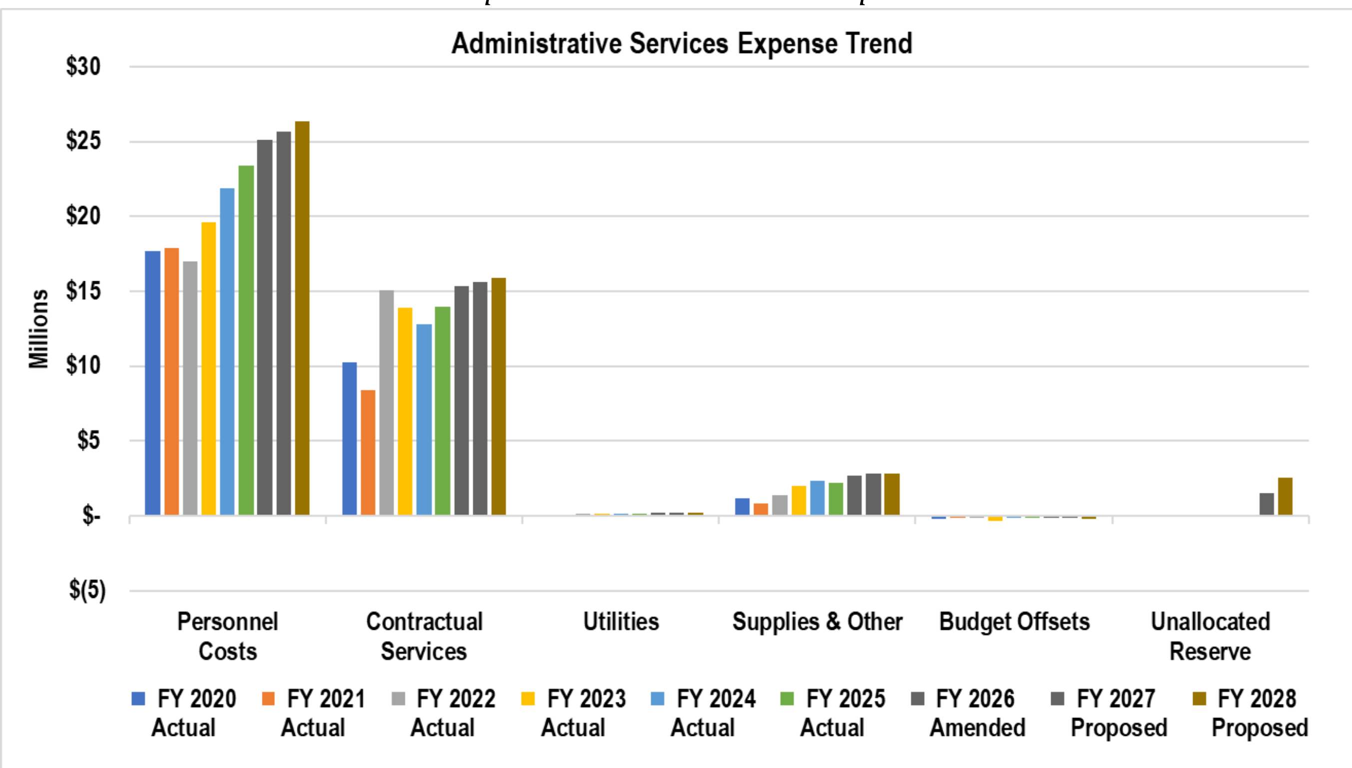


Table 7 – Administrative Services Operations & Maintenance

Expense Category	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Amended	FY 2027 Proposed	FY 2028 Proposed
Personnel Costs	$ 17.7	$ 17.9	$ 17.0	$ 19.6	$ 21.9	$ 23.4	$ 25.1	$ 25.7	$ 26.4
Contractual Services	10.3	8.4	15.1	13.9	12.8	13.9	15.3	15.6	15.9
Utilities	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Supplies & Other	1.2	0.8	1.3	2.0	2.4	2.2	2.7	2.8	2.8
Budget Offsets	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Unallocated Reserve	-	-	-	-	-	-	-	1.5	2.6
Annual Activity & Budget	$ 29.0	$ 27.0	$ 33.4	$ 35.3	$ 37.0	$ 39.5	$ 43.1	$ 45.6	$ 47.7

Chart 10 – Administrative Services Operations & Maintenance Expense Trend Chart



Section 3 – Macro View - Trend Analysis – Relationship Among Operating Areas

Nonprofit organizations and governments are often evaluated based on the percentage of costs for core functions compared with centralized and administrative functions. Table 8 below combines information from previous charts to show the dollars in each operating area. Table 9 shows the relative percentage of each of the operating area and an eight-year average. Note the following:

- Water is 23% of the total. Water treatment processing, from a budgetary standpoint, is relatively stable, despite material cost fluctuations within a given year, as well as expanding regulatory mandates.
- Wastewater is 37% of the total. Given that GLWA operates one of the largest single site water resource recovery facilities in the US in a highly regulated environment, the magnitude of the operations is significant. In addition, this function is responsible for combined sewer overflow facilities.
- Centralized Services is at 30%. For a combined utility that provides water and wastewater services, avoiding duplication of contracts, services, and tasks can be a challenge. The percentage of 30% demonstrates a high level of collaboration to share and control costs.
- Administrative Services on average is 10%, which is considered excellent amongst governmental and nonprofit organizations. There are some functions that could also be reclassified to centralized services, such as the Logistics & Materials function. For internal control purposes it is included with Financial Services in the Administrative Services.

Table 8 – Dollar Amount by Operating Area

Operating Area	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water	$ 68.9	$ 69.3	$ 74.4	$ 86.8	$ 86.6	$ 93.2	$ 101.5	$ 103.7
Wastewater	105.8	106.8	119.6	139.5	146.3	149.1	156.6	158.6
Centralized Services	102.7	88.1	91.9	100.0	113.8	122.9	120.3	123.4
Administrative Services	29.0	27.0	33.4	35.3	37.0	39.5	43.1	45.6
Total	**$ 306.4**	**$ 291.2**	**$ 319.3**	**$ 361.6**	**$ 383.7**	**$ 404.7**	**$ 421.5**	**$ 431.3**

Table 9 – Relative Percentage by Operating Area

Operating Area	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Average
Water	22%	24%	23%	24%	23%	23%	24%	24%	23%
Wastewater	35%	37%	37%	39%	38%	37%	37%	37%	37%
Centralized Services	34%	30%	29%	28%	30%	30%	29%	29%	30%
Administrative Services	9%	9%	10%	10%	10%	10%	10%	11%	10%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Personnel

Achieving GLWA's initiatives is dependent on the ability to attract, retain, and develop highly qualified and effective team members within a highly competitive job market.

As reported by the U.S. Bureau of Labor Statistics in August 2025, the unemployment rate for southeast Michigan was at 4.3%, below the national average of 4.5%. This is further evidence that the region remains in a very competitive market.

And, not only is it a competitive job market, but water utilities require specialized skills and state certifications. For this reason, GLWA launched "Tap In", an award winning initiative to recruit highly skilled and motivated talent for its workforce and position the utility as an employer of choice. In 2025, the campaign resulted in a 19% increase in job applicants, a 100% increase in visits to GLWA's careers page and a 138% increase in visits from new users to the GLWA website.

It should be noted that GLWA is conservative in budgeting for salaries and wages. Because the budget is drafted in October for a fiscal year that begins the following July, much can happen in eight months. The CEO has authority for team member compensation. Being able to assess the market and staffing closer to July 1 is most effective. For this reason, the salaries and wages line does not presume a wage increase. Instead, a budget amendment is prepared after compensation decisions are made to increase the salaries and wages line with an offset to unallocated reserve.

Personnel Budget

As shown in the second table below, the entity-wide personnel is budgeted to increase over $3.8 million, or 2.6%, from the FY 2026 amended budget. Staffing positions remained level, whereas full-time equivalents (FTEs) increased by 3. The budget is based on the FTE staffing, which is the number of hours that a position is filled per year. The FTE count is less than the number of staffing positions as several vacant positions are budgeted to be filled in late FY 2027.

Biennial Budget Request

Personnel Biennial Budget by Expense Category Compared to Adopted Budget

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	**Actual**	**Adopted Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
2.1 Salaries & Wages	$ 84,979,179	$ 86,632,900	24,462,602	**$ 95,548,000**	**$ 8,915,100**	**10.3%**	$ 98,924,700
2.2 Workforce Development	2,811,306	3,746,800	571,889	**2,426,200**	**(1,320,600)**	**-35.2%**	2,821,700
2.3 Overtime	10,124,433	8,911,500	2,724,141	**9,641,700**	**730,200**	**8.2%**	9,689,600
2.4 Employee Benefits	30,773,272	31,122,900	8,946,539	**33,876,700**	**2,753,800**	**8.8%**	35,504,100
2.5 Transition Services	8,194,544	8,491,400	2,136,222	**6,428,600**	**(2,062,800)**	**-24.3%**	6,451,100
Grand Total	**$ 136,882,734**	**$ 138,905,500**	**$ 38,841,393**	**$ 147,921,200**	**$ 9,015,700**	**6.5%**	**$ 153,391,200**

Personnel Biennial Budget by Expense Category Compared to Amended Budget

	FY 2025	FY 2026		FY 2027			FY 2028
Expense Category	**Actual**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
2.1 Salaries & Wages	$ 84,979,100	$ 91,086,600	$ 24,462,600	**$ 95,548,000**	**$ 4,461,400**	**4.9%**	$ 98,924,500
2.2 Workforce Development	2,811,200	3,777,300	571,900	**2,426,200**	**(1,351,100)**	**-35.8%**	2,821,700
2.3 Overtime	10,124,500	8,911,500	2,724,100	**9,641,700**	**730,200**	**8.2%**	9,689,400
2.4 Employee Benefits	30,773,300	31,867,400	8,946,500	**33,876,700**	**2,009,300**	**6.3%**	35,504,300
2.5 Transition Services	8,194,500	8,491,400	2,136,200	**6,428,600**	**(2,062,800)**	**-24.3%**	6,451,100
Grand Total	**$ 136,882,600**	**$ 144,134,200**	**$ 38,841,300**	**$ 147,921,200**	**$ 3,787,000**	**2.6%**	**$ 153,391,000**

Note: Workforce Development includes Apprentices and Interns

Personnel Biennial Budget by Operating Area and Expense Category

	FY 2025	FY 2026		FY 2027			FY 2028
Operating Area and Expense Category	**Actual**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
Chief Operating Officer Water Operations	**$ 44,475,200**	**$ 45,098,800**	**$ 12,622,600**	**$ 47,805,300**	**$ 2,706,500**	**6.0%**	**$ 49,641,900**
Salaries & Wages	26,249,300	27,364,900	7,601,400	29,506,200	2,141,300	7.8%	30,537,200
Salaries & Wages - Workforce Development	2,017,600	2,375,600	361,400	1,491,600	(884,000)	-37.2%	1,703,800
Overtime	5,681,900	4,897,500	1,594,700	5,666,300	768,800	15.7%	5,714,200
Employee Benefits	10,526,400	10,460,800	3,065,100	11,141,200	680,400	6.5%	11,686,700
Contractual Transition Services	-	-	-	-	-	-	-
Chief Operating Officer Wastewater Operations	**44,219,800**	**45,640,300**	**12,111,300**	**45,847,700**	**207,400**	**0.5%**	**48,247,600**
Salaries & Wages	23,385,600	25,065,000	6,607,100	26,617,400	1,552,400	6.2%	28,175,600
Salaries & Wages - Workforce Development	518,700	691,600	89,600	512,600	(179,000)	-25.9%	641,500
Overtime	3,730,900	3,401,600	953,700	3,390,500	(11,100)	-0.3%	3,390,300
Employee Benefits	8,981,800	9,153,800	2,589,300	9,923,700	769,900	8.4%	10,636,700
Contractual Transition Services	7,602,800	7,328,300	1,871,600	5,403,500	(1,924,800)	-26.3%	5,403,500
Chief Planning Officer	**6,966,900**	**8,500,900**	**2,252,200**	**8,780,500**	**279,600**	**3.3%**	**8,976,500**
Salaries & Wages	4,640,700	5,392,400	1,406,000	5,682,600	290,200	5.4%	5,818,900
Salaries & Wages - Workforce Development	176,000	367,000	71,300	205,900	(161,100)	-43.9%	205,900
Overtime	147,800	178,500	35,000	181,000	2,500	1.4%	181,000
Employee Benefits	1,541,400	1,761,100	475,300	1,909,100	148,000	8.4%	1,968,800
Contractual Transition Services	461,000	801,900	264,600	801,900	-	0.0%	801,900
Chief Administrative & Compliance Officer	**16,730,100**	**18,879,700**	**4,795,800**	**19,010,900**	**131,200**	**0.7%**	**19,649,100**
Salaries & Wages	12,793,200	14,182,200	3,670,300	14,336,100	153,900	1.1%	14,769,000
Salaries & Wages - Workforce Development	50,900	136,400	25,800	89,700	(46,700)	-34.2%	98,800
Overtime	4,600	-	1,500	-	-	-	-
Employee Benefits	3,791,000	4,238,300	1,098,200	4,361,900	123,600	2.9%	4,535,600
Contractual Transition Services	90,400	322,800	-	223,200	(99,600)	-30.9%	245,700
Chief Financial Officer	**14,424,600**	**15,123,300**	**4,131,700**	**15,650,900**	**527,600**	**3.5%**	**15,863,900**
Salaries & Wages	10,963,200	11,414,200	3,130,500	11,777,700	363,500	3.2%	11,913,800
Salaries & Wages - Workforce Development	17,900	97,200	10,400	70,900	(26,300)	-27.1%	70,900
Overtime	4,100	5,700	900	5,800	100	1.8%	5,800
Employee Benefits	3,399,100	3,567,800	989,900	3,796,500	228,700	6.4%	3,873,400
Contractual Transition Services	40,300	38,400		-	(38,400)	-	-
Chief Executive Officer	**10,066,000**	**10,891,200**	**2,927,700**	**10,825,900**	**(65,300)**	**-0.6%**	**11,012,000**
Salaries & Wages	6,947,100	7,667,900	2,047,300	7,628,000	(39,900)	-0.5%	7,710,000
Salaries & Wages - Workforce Development	30,100	109,500	13,400	55,500	(54,000)	-	100,800
Overtime	555,200	428,200	138,400	398,100	(30,100)	-7.0%	398,100
Employee Benefits	2,533,600	2,685,600	728,600	2,744,300	58,700	2.2%	2,803,100
Contractual Transition Services	-	-	-	-	-	-	-
Grand Total	**$ 136,882,600**	**$ 144,134,200**	**$ 38,841,300**	**$ 147,921,200**	**$ 3,787,000**	**2.6%**	**$ 153,391,000**

Note: Workforce Development includes Apprentices and Interns

While specific reasons for variances in the personnel budget are addressed in Section 5 of this document for each department, the comments below highlight some of the key factors.

Salaries & Wages

The FY 2026 budget was increased by approximately $4.45 million with the first amendment for the fiscal year. The first amendment adjusted for those items not known at the time the FY 2026 budget was adopted. They relate to a change in the classification and compensation of team members who attain a higher level of knowledge, skills, licensing, certification and abilities as well as market and merit increase.

The increase from the FY 2026 adopted budget of $8.9 million, or 10.3%, is primarily due to the items noted below. With the budget amendment in FY 2026, it reduces the effective change from the amended budget to $4.46 million, or 4.9%. The following items make up $4.1 million of that change from the amended budget.

- Vacant staffing positions of 99, representing 30.00 FTEs in the FY 2026 budget, were filled in FY 2026. These were budgeted mainly at 0.25 FTE in FY 2026. For FY 2027, they are now budgeted at 1.0 FTE each because they are filled. This results in a net increase of 69 FTEs in FY 2027 (increase of $5.1 million).
- A total of 83 staffing positions representing 83.00 FTEs that were budgeted at 1.0 FTE in FY 2026 became vacant and are now budgeted at zero to 0.25 FTE in FY 2027. This results in a net decrease of 65.75 FTEs (decrease of $4.1 million).
- Fifteen Apprentices budgeted in Workforce Development for FY 2026 graduated on April 30, 2025, twelve of which were hired and are now budgeted in Salaries & Wages for FY 2027. Further explanations are included under the Workforce Development section (increase of $1.0 million). It should be noted that the apprenticeship program is to develop a workforce of highly skilled personnel. At GLWA, many of the apprentices become electricians and instrumentation technicians.
- Twelve positions for Wastewater Operations were included in the FY 2026 budget under Transition Services. Most of those positions have been filled and are now budgeted for in Salaries & Wages for FY 2027. Further explanations are included under the Contractual Transition Services section (increase of $1.9 million).

The table to the right is a rollforward analysis that illustrates the timing of compensation activities and how they impact the subsequent years' budgets.

In this case, the FY 2026 Budget was prepared in October 2024 based on filled positions at that time and an FTE approximation that accounted for turnover and vacancies. As a result, most vacant positions were budgeted at zero or 25% based on a combination of minimum to midrange of the pay classification depending on the job profile.

Salaries & Wages Budget Rollforward Analysis (*excludes Apprentices & Interns*)		
FY 2026 Adopted Budget - Based on wage rates in effect at time that budget was prepared in **October 2024** for fiscal year that **begins July 1, 2025**	$	86,632,900
Plus: **FY 2026 First Quarter Budget Amendment (as of September 2025)** Merit, Market, Certificatiion and Skill-based Stipends, and Promotions (including effect of base pay adjustment impacts since November 2024)		4,453,700
FY 2026 Amended Budget as of September 30, 2025	**$**	**91,086,600**
FY 2026 Personnel Actions That Impact Beginning Salaries Budget at July 1, 2026		
Plus: Turnover - FY 2026 New hires for 99 positions budgeted at 30 FTE		5,144,000
Less: Turnover - FY 2026 Terminations of 83 now budgeted at zero or 0.25 FTE		(4,065,700)
Plus: Compensation for 12 Apprentices that graduated and filled regular vacancies - reclassified from Workforce Development Line Item to Salaries & Wages Line item		1,041,800
Plus: Reclassification of 12 Wastewater Operations positions now filled by regular team members rather than transition contractor		1,940,100
Other		401,200
Net FY 2026 Personnel Actions		**4,461,400**
Proposed FY 2027 Budget	**$**	**95,548,000**
FY 2028 Assumes no change in staffing positions and increase of 45 FTE		3,376,500
Proposed FY 2028 Budget	**$**	**98,924,500**
FY 2029 Assumes no change in staffing positions and increase of 47.5 FTE		3,581,400
Proposed FY 2029 Budget	**$**	**102,505,900**
FY 2030 Assumes net turnover is zero impact and market evaluates as July 1 approaches		-
Proposed FY 2030 Budget	**$**	**102,505,900**
FY 2031 Assumes net turnover is zero impact and market evaluates as July 1 approaches		-
Proposed FY 2030 Budget	**$**	**102,505,900**

Consistent with normal operations, there was turnover in team members, labor contract skills payments and successful graduation of apprentices who were hired into vacant positions and some of the contracted staffing was reclassified as new team members filling some of those positions.

Staffing Plan

The following tables present the number of positions in two types of classifications.

- *Staffing Plan* – This represents the number of positions in the plan. Each position has a value of one. The position count does not distinguish between a position that is filled 100% (2,080 hours per year), filled for a number of hours less than 2,080 per year, or one that is vacant.
- *Full-time Equivalents* (FTE)- FTE is based on the number of hours that the position is filled, or budgeted for, based upon a standard of 2,080 hours per year.

The staffing plan remained stable at 1,352 positions (net increase of zero) and the timing of turnover resulted in a net increase of 13 FTEs as outlined in the tables below. Interns are excluded from this table as they are temporary/seasonal in nature and do not receive the employee benefits of regular employees and apprentices. A separate table is provided for the interns.

Net Change in Staffing Plan and FTEs by Chief Operating Area (excludes interns)

Chief Operating Area	Change from FY 2026 to FY 2027	
	Staffing Plan	**FTEs**
Water Operations	+6.00	+5.25
Wastewater Operations	-10.00	+4.50
Planning Services	+1.00	+3.25
Administration & Compliance Officer	+1.00	-2.50
Financial Services	+1.00	+4.00
Chief Executive Officer	+1.00	-1.50
Total	**0.00**	**+13.00**

Net Change in Staffing Plan and FTEs by Operating Area (excludes interns)

Operating Area	Change from FY 2026 to FY 2027	
	Staffing Plan	**FTEs**
A Water Systems Operations	+1.00	+8.00
B Wastewater System Operations	-10.00	+4.50
C Centralized Services	+8.00	-1.50
D Administration & Other Services	+1.00	+2.00
Total	**+0.00**	**+13.00**

Details of the changes in the staffing are addressed by each department in Section 5 of this document.

The following tables show the change in team members by chief operating area. Although the staffing plan for regular team members increased, it is offset by reductions in apprentice positions, resulting in a level workforce.

Staffing Plan by Operating Area (excludes interns)

	Staffing Plan			
Team Members by Operating Area	**FY 2026**	**FY 2027**	**Change FY 2026 to FY 2027**	**FY 2028**
Regular & Transitional Contractor				
Chief Operating Officer Water Operations	385.00	400.00	15.00	400.00
Chief Operating Officer Wastewater Operations	457.00	443.00	(14.00)	443.00
Chief Planning Officer	68.00	69.00	1.00	69.00
Chief Administration & Compliance Officer	149.00	150.00	1.00	150.00
Chief Financial Officer	128.00	129.00	1.00	129.00
Chief Executive Officer	106.00	107.00	1.00	107.00
Subtotal Regular & Transitional Contractor	**1,293.00**	**1,298.00**	**5.00**	**1,298.00**
Apprentice				
Chief Operating Officer Water Operations	45.00	36.00	(9.00)	36.00
Chief Operating Officer Wastewater Operations	11.00	15.00	4.00	15.00
Chief Planning Officer	3.00	3.00	0.00	3.00
Subtotal Apprentice	**59.00**	**54.00**	**(5.00)**	**54.00**
Grand Total	**1,352.00**	**1,352.00**	**0.00**	**1,352.00**

Full-time Equivalents by Operating Area (excludes interns)

	Full Time Equivalents (FTEs)			
Team Members by Operating Area	**FY 2026**	**FY 2027**	**Change FY 2026 to FY 2027**	**FY 2028**
Regular & Transitional Contractor				
Chief Operating Officer Water Operations	338.50	357.25	18.75	371.50
Chief Operating Officer Wastewater Operations	373.75	379.25	5.50	400.50
Chief Planning Officer	61.25	64.50	3.25	66.00
Chief Administration & Compliance Officer	135.00	132.50	(2.50)	137.50
Chief Financial Officer	119.25	123.25	4.00	125.00
Chief Executive Officer	102.50	101.00	(1.50)	102.50
Subtotal Regular & Transitional Contractor	**1,130.25**	**1,157.75**	**27.50**	**1,203.00**
Apprentice				
Chief Operating Officer Water Operations	39.00	25.50	(13.50)	29.00
Chief Operating Officer Wastewater Operations	8.50	7.50	(1.00)	10.00
Chief Planning Officer	3.00	3.00	0.00	3.00
Subtotal Apprentice	**50.50**	**36.00**	**(14.50)**	**42.00**
Grand Total	**1,180.75**	**1,193.75**	**13.00**	**1,245.00**

The following tables show the planned workforce (excluding interns). They include regular team members, transitional contractors and apprentices. The majority of transitional contractors are imbedded with regular team member crews to augment the skilled labor force. Apprentice positions provide a high level of service by developing a source of trained team members. Team members in the apprentice programs receive many of the benefits regular team members receive and are therefore budgeted similarly. Apprenticeship durations will vary, based on the specific skilled trade. GLWA pursues grant funding to offset many of the costs associated with these training programs.

Staffing Plan by Team Member Type

	Staffing Plan							
Team Member Type	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular	1,213.00	1,256.00	1,240.00	1,258.00	1,258.00	1,258.00	1,258.00	1,258.00
Transitional Contractor	57.00	48.00	53.00	40.00	40.00	40.00	40.00	40.00
Subtotal	**1,270.00**	**1,304.00**	**1,293.00**	**1,298.00**	**1,298.00**	**1,298.00**	**1,298.00**	**1,298.00**
Apprentice	48.00	52.00	59.00	54.00	54.00	54.00	54.00	54.00
Grand Total	**1,318.00**	**1,356.00**	**1,352.00**	**1,352.00**	**1,352.00**	**1,352.00**	**1,352.00**	**1,352.00**

FTE by Team Member Type

	FTE							
Team Member Type	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Regular	1,064.75	1,110.50	1,078.00	1,118.50	1,163.50	1,211.00	1,211.00	1,211.00
Transitional Contractor	57.00	47.75	52.25	39.25	39.50	40.00	40.00	40.00
Subtotal	**1,121.75**	**1,158.25**	**1,130.25**	**1,157.75**	**1,203.00**	**1,251.00**	**1,251.00**	**1,251.00**
Apprentice	31.50	45.25	50.50	36.00	42.00	48.75	48.75	48.75
Grand Total	**1,153.25**	**1,203.50**	**1,180.75**	**1,193.75**	**1,245.00**	**1,299.75**	**1,299.75**	**1,299.75**

The following table provides the staffing plan and FTE for the Interns. Internships generally run from May to August. There are some internships that are year-round.

Staffing Plan and FTE for Interns

	Staffing Plan and FTE							
Interns	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Staffing Plan	0.00	0.00	39.00	48.00	48.00	48.00	48.00	48.00
FTE	0.00	0.00	29.25	19.25	23.00	28.00	28.00	28.00

Personnel Turnover

Retention of quality team members for any organization is key to increased proficiency and productivity, GLWA has worked towards being an employer of choice by inspiring internal growth and fostering team members' morale. By encouraging team members to pursue their professional certifications, providing outstanding team member and employer paid benefits, as well as merit and market wage adjustments, the organization has reduced its total turnover rate to its lowest level in the last five years. In FY 2025, 187 operations team members were reporting their State of Michigan certifications.

Total Turnover Rate

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Turnover	12.0%	20.0%	10.3%	11.2%	9.5%

Historical Staffing Vacancy Rate

GLWA budgets staffing based on FTE counts. As such GLWA has worked to control the personnel budget by taking into account hard-to-fill positions and team member turnover by reducing the FTE percentage for vacancies. Over time this has resulted in a lower vacancy rate based on budgeted positions.

Staffing & Vacancy History (excludes interns)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Staffing Plan						
Budgeted Positions	1,293	1,318	1,356	1,352	1,352	1,352
Positions Filled at Year-end	1,069	1,101	1,143	1,156 *		
Vacant Staffing Positions	**224**	**217**	**213**	**196** *		
Vacancy Rate Staffing Positions	**17.3%**	**16.5%**	**15.7%**	**14.5%** *		
Full-time Equivalents						
Budgeted Positions	1,234	1,153	1,203	1,181	1,194	1,245
Positions Filled at Year-end	1,066	1,099	1,141	1,154 *		
Vacant Full-time Equivalent	**168**	**54**	**62**	**27** *		
Vacancy Rate Full-time Equivalent	**13.6%**	**4.7%**	**5.2%**	**2.3%** *		

**As of 12.21.2025*

Workforce Development

The workforce development classification represents the salaries and wages for workers that have been hired into the apprenticeship and internship programs. The apprenticeship program plays an essential role in GLWA's efforts to provide quality water by performing duties in plant operations, maintenance and repair of electrical equipment and instrumentation equipment in the plants, field services and pumping stations. The internship program provides on-the-job-learning and real-world experience to successfully prepare students for careers in the water sector while equipping the interns with essential skills to achieve lifelong success. This program assists in GLWA's effort to provide quality water, while building GLWA's talent pipeline.

Workforce Development Biennial Budget by Team Member Type

	FY 2025	FY 2026			FY 2027			FY 2028
Expense Category	Actual	Adopted Budget	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
2.2 Workforce Development								
Apprenticeship	$ 2,492,195	$ 2,660,800	$ 2,691,300	$ 408,335	**$ 1,697,000**	**$ (994,300)**	**-36.9%**	$ 1,955,200
Internship Program	319,111	1,086,000	1,086,000	163,554	**729,200**	**(356,800)**	**-32.9%**	866,500
Grand Total	**$ 2,811,306**	**$ 3,746,800**	**$ 3,777,300**	**$ 571,889**	**$ 2,426,200**	**$ (1,351,100)**	**-35.8%**	**$ 2,821,700**

The overall Workforce Development budget decrease of $1.4 million, or 35.8% is primarily due to the following:

- ❖ The Apprenticeship decreased $994,300 mainly due to 15 Skilled Trade Apprentices team members *(Mainly Electrical Instrumentation Control Technicians)* who graduated April 30, 2025. Twelve were hired and moved into regular team member positions with GLWA. There were 10 staffing positions retain for a new plant technician program that started in August 2025, resulting in a net decrease of 5 positions in the apprenticeship program.
- ❖ The Internship Program decreased $356,800 mainly due to a decrease in FTEs. Although the number of staffing positions increased by 9 the FTEs decreased by 10 as they are scheduled to be filled late FY 2027)

Overtime

The budget increase of $730,200, or 8.2%, is due to the increase in base wages along with expected challenges and delays in filling vacant positions, thereby increasing overtime for other workers.

- ❖ Chief Operating Officer Water Operations overall increased by $768,800 – Mostly due to Water Treatment plants $740,500, and by Systems Operations Control $25,000.
- ❖ Chief Operating Officer Wastewater Operations decreased by $11,300.
- ❖ Chief Executive Officer decreased by $30,000 for Security and Integrity, and Hazmat.

Employee Benefits

Employee benefits increased by $2 million, or 6.3%. The increase is mainly due to an average 11.5% increase in medical premiums charged by health insurance vendors as well as an increase in the FTE plan of 13 positions which increased salaries and wages. GLWA also implemented two new employer-paid health plans, pain management and teladoc virtual services. The annual plan renewals and related carrier rates are based on a calendar year.

Contractual Transition Services

The decrease of $2.06 million, or 24.3.%, in Contractual Transition Services was primarily due to:

- ❖ *Chief Operating Wastewater Operations* overall decreased by $1,924,800, mainly due to team members who transitioned to positions within GLWA that were previously budgeted/filled by a contractor.

- 5 filled team members positions in Wastewater Director-mainly Maintenance Technicians (decrease $952,400)
- 4 filled team members positions spread throughout Dewatering, Primary, Secondary and Incineration (decrease $621,900)
- 3 vacant Plant Technicians positions spread throughout Dewatering, Incineration, and BDF, COF & Hauling positions to be filled in late FY 2027 (decrease $366,300)

❖ *Chief Financial Officer* (Financial Reporting & Accounting) decreased by $38,400. A Professional Administrative Analyst position was previously budgeted as a contractor and is now budgeted as a team member position.

❖ *Chief Administrative & Compliance Officer* overall decreased by $99,600. This decrease is mainly due to an Environmental Health and Safety Coordinator position that is expected to be filled in late FY 2027 but was budgeted at 1.0 FTE in 2026.

Five-Year Financial Plan

Five-Year Financial Plan by Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Expense Category	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Salaries & Wages	$ 84,979,100	$ 91,086,600	$ 95,548,000	$ 98,924,500	$ 102,505,900	$ 102,505,900	$ 102,505,900
Salaries & Wages - Workforce Development	2,811,200	3,777,300	2,426,200	2,821,700	3,305,000	3,305,000	3,305,000
Overtime	10,124,500	8,911,500	9,641,700	9,689,400	9,696,900	9,696,900	9,696,900
Employee Benefits	30,773,300	31,867,400	33,876,700	35,504,300	37,243,600	37,533,700	37,823,800
Contractual Transition Services	8,194,500	8,491,400	6,428,600	6,451,100	6,496,700	6,496,700	6,496,700
Grand Total	**$ 136,882,600**	**$ 144,134,200**	**$ 147,921,200**	**$ 153,391,000**	**$ 159,248,100**	**$ 159,538,200**	**$ 159,828,300**

Note: Workforce Development includes Apprentices and Interns

Five-Year Financial Plan by Operating Area and Expense Category

	Actual	Amended Budget	Proposed Budget		Projected		
Operating Area and Expense Category	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Operating Officer Water Operations	**$ 44,475,200**	**$ 45,098,800**	**$ 47,805,300**	**$ 49,641,900**	**$ 51,502,500**	**$ 51,598,500**	**$ 51,694,600**
Salaries & Wages	26,249,300	27,364,900	29,506,200	30,537,200	31,536,000	31,536,000	31,536,000
Salaries & Wages - Workforce Development	2,017,600	2,375,600	1,491,600	1,703,800	1,999,900	1,999,900	1,999,900
Overtime	5,681,900	4,897,500	5,666,300	5,714,200	5,739,800	5,739,800	5,739,800
Employee Benefits	10,526,400	10,460,800	11,141,200	11,686,700	12,226,800	12,322,800	12,418,900
Contractual Transition Services	-	-	-	-	-	-	-
Chief Operating Officer Wastewater Operations	**44,219,800**	**45,640,300**	**45,847,700**	**48,247,600**	**50,825,300**	**50,918,200**	**51,011,000**
Salaries & Wages	23,385,600	25,065,000	26,617,400	28,175,600	29,817,500	29,817,500	29,817,500
Salaries & Wages - Workforce Development	518,700	691,600	512,600	641,500	810,500	810,500	810,500
Overtime	3,730,900	3,401,600	3,390,500	3,390,300	3,376,900	3,376,900	3,376,900
Employee Benefits	8,981,800	9,153,800	9,923,700	10,636,700	11,416,900	11,509,800	11,602,600
Contractual Transition Services	7,602,800	7,328,300	5,403,500	5,403,500	5,403,500	5,403,500	5,403,500
Chief Planning Officer	**6,966,900**	**8,500,900**	**8,780,500**	**8,976,500**	**9,190,300**	**9,205,400**	**9,220,500**
Salaries & Wages	4,640,700	5,392,400	5,682,600	5,818,900	5,966,800	5,966,800	5,966,800
Salaries & Wages - Workforce Development	176,000	367,000	205,900	205,900	205,900	205,900	205,900
Overtime	147,800	178,500	181,000	181,000	181,000	181,000	181,000
Employee Benefits	1,541,400	1,761,100	1,909,100	1,968,800	2,034,700	2,049,800	2,064,900
Contractual Transition Services	461,000	801,900	801,900	801,900	801,900	801,900	801,900
Chief Administrative & Compliance Officer	**16,730,100**	**18,879,700**	**19,010,900**	**19,649,100**	**20,561,900**	**20,595,000**	**20,627,800**
Salaries & Wages	12,793,200	14,182,200	14,336,100	14,769,000	15,387,200	15,387,200	15,387,200
Salaries & Wages - Workforce Development	50,900	136,400	89,700	98,800	117,000	117,000	117,000
Overtime	4,600	-	-	-	-	-	-
Employee Benefits	3,791,000	4,238,300	4,361,900	4,535,600	4,766,400	4,799,500	4,832,300
Contractual Transition Services	90,400	322,800	223,200	245,700	291,300	291,300	291,300
Chief Financial Officer	**14,424,600**	**15,123,300**	**15,650,900**	**15,863,900**	**16,014,700**	**16,043,700**	**16,073,000**
Salaries & Wages	10,963,200	11,414,200	11,777,700	11,913,800	12,002,200	12,002,200	12,002,200
Salaries & Wages - Workforce Development	17,900	97,200	70,900	70,900	70,900	70,900	70,900
Overtime	4,100	5,700	5,800	5,800	5,800	5,800	5,800
Employee Benefits	3,399,100	3,567,800	3,796,500	3,873,400	3,935,800	3,964,800	3,994,100
Contractual Transition Services	40,300	38,400	-	-	-	-	-
Chief Executive Officer	**10,066,000**	**10,891,200**	**10,825,900**	**11,012,000**	**11,153,400**	**11,177,400**	**11,201,400**
Salaries & Wages	6,947,100	7,667,900	7,628,000	7,710,000	7,796,200	7,796,200	7,796,200
Salaries & Wages - Workforce Development	30,100	109,500	55,500	100,800	100,800	100,800	100,800
Overtime	555,200	428,200	398,100	398,100	393,400	393,400	393,400
Employee Benefits	2,533,600	2,685,600	2,744,300	2,803,100	2,863,000	2,887,000	2,911,000
Contractual Transition Services	-	-	-	-	-	-	-
Grand Total	**$ 136,882,600**	**$ 144,134,200**	**$ 147,921,200**	**$ 153,391,000**	**$ 159,248,100**	**$ 159,538,200**	**$ 159,828,300**

Note: Workforce Development includes Apprentices and Interns

Capital Program Allocation

The amounts in the following Capital Program Allocation tables are shown as negative amounts because they are "contra" accounts which represent an offset to the Personnel costs section of the Operations & Maintenance budget. The Capital Program Allocation activity reflects staff time to support project delivery of the Capital Improvement Plan (CIP).

The 0.3% decrease represents an overall reduced allocation of team members' compensation charged to capital projects in FY 2027 as well as the lower level of activity. Wastewater Operations-Wastewater Engineering decreased by 1.50 FTEs (Life Cycle Engineering, and Team Leader position).

The increase within Water Operations-Water Engineering primarily due to one (1) new Life Cycle Engineering position, increasing the FTE by 1, along with the rise in compensation of team members charged to capital projects.

Time charged to capital projects is recorded by GLWA team members in the BigTime time tracking system.

Capital Program Allocation Biennial Budget

	FY 2025	FY 2026		FY 2027			FY 2028
Operating Area and Expense Category	**Actual**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
Chief Operating Officer Water Operations	**$ (1,684,700)**	**$ (1,832,100)**	**$ (493,500)**	**$ (2,025,500)**	**$ (193,400)**	**10.6%**	**$ (941,900)**
Capital Program: Employee Benefits	(431,100)	(414,600)	(140,000)	(456,900)	(42,300)	10.2%	(480,700)
Capital Program: Salaries & Wages-Direct	(1,253,600)	(1,417,500)	(353,500)	(1,568,600)	(151,100)	10.7%	(461,200)
Chief Operating Officer Wastewater Operations	**(1,200,000)**	**(1,598,500)**	**(269,000)**	**(1,393,500)**	**205,000**	**-12.8%**	**(929,900)**
Capital Program: Employee Benefits	(215,600)	(356,200)	(76,300)	(322,100)	34,100	-9.6%	(386,300)
Capital Program: Salaries & Wages-Direct	(984,400)	(1,242,300)	(192,700)	(1,071,400)	170,900	-13.8%	(543,600)
Chief Planning Officer	**(15,900)**	**-**	**(28,200)**	**-**	**-**	-	**-**
Capital Program: Employee Benefits	(4,500)	-	(8,000)	-	-	-	-
Capital Program: Salaries & Wages-Direct	(11,400)	-	(20,200)	-	-	-	-
Chief Administrative & Compliance Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Chief Financial Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Chief Executive Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Grand Total	**$ (2,900,600)**	**$ (3,430,600)**	**$ (790,700)**	**$ (3,419,000)**	**$ 11,600**	**-0.3%**	**$ (1,871,800)**

Capital Program Allocation Five-Year Financial Plan

Operating Area and Expense Category	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Chief Operating Officer Water Operations	**$ (1,684,700)**	**$ (1,832,100)**	**$ (2,025,500)**	**$ (941,900)**	**$ (936,300)**	**$ (963,400)**	**$ (966,700)**
Capital Program: Employee Benefits	(431,100)	(414,600)	(456,900)	(480,700)	(502,300)	(505,700)	(509,000)
Capital Program: Salaries & Wages-Direct	(1,253,600)	(1,417,500)	(1,568,600)	(461,200)	(434,000)	(457,700)	(457,700)
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	
Chief Operating Officer Wastewater Operations	**(1,200,000)**	**(1,598,500)**	**(1,393,500)**	**$ (929,900)**	**$ (1,048,800)**	**$ (1,076,100)**	**$ (1,920,400)**
Capital Program: Employee Benefits	(215,600)	(356,200)	(322,100)	(386,300)	(451,600)	(454,800)	(457,900)
Capital Program: Salaries & Wages-Direct	(984,400)	(1,242,300)	(1,071,400)	(543,600)	(597,200)	(621,300)	(1,462,500)
Chief Planning Officer	**(15,900)**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	(4,500)	-	-	-	-	-	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	(11,400)	-	-	-	-	-	-
Chief Administrative & Compliance Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Chief Financial Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Indire	-	-	-	-	-	-	-
Chief Executive Officer	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital Program: Employee Benefits	-	-	-	-	-	-	-
Capital Program: Salaries & Wages-Direct	-	-	-	-	-	-	-
Grand Total	**$ (2,900,600)**	**$ (3,430,600)**	**$ (3,419,000)**	**$ (1,871,800)**	**$ (1,985,100)**	**$ (2,039,500)**	**$ (2,887,100)**

Staffing Plan

The Staffing Plan remains stable, and FTE counts level out beginning in FY 2029 as the organization reaches an optimal staffing level and vacancies are filled. The goal of the staffing plan is to provide the organization with an appropriate level of personnel to achieve operational reliability, to ensure a safe environment, maintain compliance and efficient capital delivery, and to provide reliable and quality services to our customer communities.

The following tables present both a "Staffing Plan" reflecting the *number* of positions and a "Full Time Equivalents (FTEs)" reflecting the *budgeted* positions for FY 2024 through FY 2031.

Staffing Plan by Operating Area (excludes interns)

	Staffing Plan							
Operating Area Regular Team Members	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Chief Operating Officer Water Operations	391.00	399.00	385.00	400.00	400.00	400.00	400.00	400.00
Chief Operating Officer Wastewater Operations	444.00	455.00	457.00	443.00	443.00	443.00	443.00	443.00
Chief Planning Officer	71.00	71.00	68.00	69.00	69.00	69.00	69.00	69.00
Chief Administration & Compliance Officer	145.00	147.00	149.00	150.00	150.00	150.00	150.00	150.00
Chief Financial Officer	126.00	127.00	128.00	129.00	129.00	129.00	129.00	129.00
Chief Executive Officer	93.00	105.00	106.00	107.00	107.00	107.00	107.00	107.00
Subtotal Regular Team Members	**1,270.00**	**1,304.00**	**1,293.00**	**1,298.00**	**1,298.00**	**1,298.00**	**1,298.00**	**1,298.00**
Apprentice	48.00	52.00	59.00	54.00	54.00	54.00	54.00	54.00
Grand Total Entity Wide	**1318.00**	**1356.00**	**1352.00**	**1352.00**	**1352.00**	**1352.00**	**1352.00**	**1352.00**

Staffing Plan by Operating Area and Team (excludes interns)

Operating Area and Team	Cost Center	Staffing Plan							
		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Chief Operating Officer Water Operations		**431.00**	**442.00**	**430.00**	**436.00**	**436.00**	**436.00**	**436.00**	**436.00**
COO - Water Operations & Field Services	882001	5.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00
Energy, Research & Innovation	882501	9.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Transformation	882511	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00
Facility Operations	882421	23.00	23.00	20.00	21.00	21.00	21.00	21.00	21.00
Fleet Operations	882422	6.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Field Service Operations	882431	71.00	71.00	68.00	70.00	70.00	70.00	70.00	70.00
Lake Huron Water Plant	882171	37.00	37.00	38.00	39.00	39.00	39.00	39.00	39.00
Northeast Water Plant	882151	38.00	37.00	37.00	38.00	38.00	38.00	38.00	38.00
Southwest Water Plant	882161	37.00	37.00	37.00	38.00	38.00	38.00	38.00	38.00
Springwells Water Plant	882141	40.00	39.00	39.00	38.00	38.00	38.00	38.00	38.00
Systems Operations Control	882301	44.00	44.00	43.00	46.00	46.00	46.00	46.00	46.00
Water Director	882101	12.00	14.00	18.00	18.00	18.00	18.00	18.00	18.00
Water Engineering	882111	37.00	44.00	33.00	29.00	29.00	29.00	29.00	29.00
Water Quality	882121	27.00	29.00	31.00	31.00	31.00	31.00	31.00	31.00
Water Works Park	882131	40.00	42.00	42.00	45.00	45.00	45.00	45.00	45.00
Chief Operating Officer Wastewater Operations		**452.00**	**463.00**	**468.00**	**458.00**	**458.00**	**458.00**	**458.00**	**458.00**
BDF, COF & Hauling	892227	11.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00
Chief Operating Officer Wastewater	892001	13.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Combined Sewer Overflow	892270	33.00	32.00	32.00	31.00	31.00	31.00	31.00	31.00
Industrial Waste Control	892231	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Wastewater Dewatering Process	892225	47.00	44.00	43.00	41.00	41.00	41.00	41.00	41.00
Wastewater Director	892201	52.00	52.00	52.00	49.00	49.00	49.00	49.00	49.00
Wastewater Engineering	892211	34.00	39.00	40.00	39.00	39.00	39.00	39.00	39.00
Wastewater Incineration Process	892226	53.00	53.00	57.00	55.00	55.00	55.00	55.00	55.00
Wastewater Laboratories	892235	40.00	39.00	39.00	37.00	37.00	37.00	37.00	37.00
Wastewater Operations	892221	14.00	19.00	22.00	24.00	24.00	24.00	24.00	24.00
Wastewater Primary Process	892223	53.00	52.00	52.00	51.00	51.00	51.00	51.00	51.00
Wastewater Process Control	892222	26.00	28.00	27.00	27.00	27.00	27.00	27.00	27.00
Wastewater Secondary Process	892224	47.00	47.00	49.00	49.00	49.00	49.00	49.00	49.00

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Staffing Plan by Operating Area and Team (continued from previous page)

Operating Area and Team	Cost Center	Staffing Plan FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Chief Planning Officer		**71.00**	**72.00**	**71.00**	**72.00**	**72.00**	**72.00**	**72.00**	**72.00**
Asset Management	886201	11.00	11.00	11.00	10.00	10.00	10.00	10.00	10.00
Capital Improvement Planning	886601	13.00	13.00	11.00	13.00	13.00	13.00	13.00	13.00
Chief Planning Officer	886001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water Analytics, Planning & Metering	886401	37.00	38.00	40.00	40.00	40.00	40.00	40.00	40.00
Wastewater Analytics, Planning & Metering	886100	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Member Services	886101	4.00	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Administration & Compliance Officer		**145.00**	**147.00**	**149.00**	**150.00**	**150.00**	**150.00**	**150.00**	**150.00**
Chief Administrative Officer	883001	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Enterprise Risk Management and Safety	883401	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
General Counsel	883101	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Info Technology Business Productivity Systems	883341	12.00	12.00	12.00	11.00	11.00	11.00	11.00	11.00
Info Technology Enterprise Asset Mgmt Systems	883351	17.00	17.00	17.00	19.00	19.00	19.00	19.00	19.00
Info Technology Infrastructure	883331	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Info Technology Security & Risk	883361	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Info Technology Service Delivery	883321	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	883311	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Office of the CIO	883301	7.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Organizational Development Administration	883201	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Organizational Development Talent Management	883211	27.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Organizational Development Training	883231	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Chief Financial Officer		**126.00**	**127.00**	**128.00**	**129.00**	**129.00**	**129.00**	**129.00**	**129.00**
Chief Financial Officer	884001	5.00	5.00	7.00	6.00	6.00	6.00	6.00	6.00
Financial Management & Planning	884113	12.00	12.00	11.00	12.00	12.00	12.00	12.00	12.00
Financial Reporting & Accounting	884111	29.00	28.00	27.00	27.00	27.00	27.00	27.00	27.00
Logistics and Materials	884124	24.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00
Procurement Director	884121	36.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
CFO Services	884141	17.00	19.00	20.00	20.00	20.00	20.00	20.00	20.00
Treasury	884131	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer		**93.00**	**105.00**	**106.00**	**107.00**	**107.00**	**107.00**	**107.00**	**107.00**
Chief Executive Officer	881001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	881202	19.00	21.00	20.00	20.00	20.00	20.00	20.00	20.00
Office of Emergency Preparedness	881203	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Affairs	881101	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Security and Integrity	881201	60.00	61.00	63.00	64.00	64.00	64.00	64.00	64.00
System Resiliency	881301	0.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Grand Total		**1,318.00**	**1,356.00**	**1,352.00**	**1,352.00**	**1,352.00**	**1,352.00**	**1,352.00**	**1,352.00**

Full-time Equivalents by Operating Area (excludes interns)

Operating Area Regular Team Members	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
	Full Time Equivalents (FTEs)							
Chief Operating Officer Water Operations	348.25	356.25	338.50	357.25	371.50	385.25	385.25	385.25
Chief Operating Officer Wastewater Operations	383.00	389.75	373.75	379.25	400.50	423.50	423.50	423.50
Chief Planning Officer	58.50	59.75	61.25	64.50	66.00	67.75	67.75	67.75
Chief Administration & Compliance Officer	128.50	131.25	135.00	132.50	137.50	144.25	144.25	144.25
Chief Financial Officer	115.00	120.75	119.25	123.25	125.00	126.25	126.25	126.25
Chief Executive Officer	88.50	100.50	102.50	101.00	102.50	104.00	104.00	104.00
Subtotal Regular Team Members	**1,121.75**	**1,158.25**	**1,130.25**	**1,157.75**	**1,203.00**	**1,251.00**	**1,251.00**	**1,251.00**
Apprentice	31.50	45.25	50.50	36.00	42.00	48.75	48.75	48.75
Grand Total Entity Wide	**1153.25**	**1203.50**	**1180.75**	**1193.75**	**1245.00**	**1299.75**	**1299.75**	**1299.75**

Full-time Equivalents by Operating Area and Team (excludes interns)

Operating Area and Team	Cost Center	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
		Full Time Equivalents (FTEs)							
Chief Operating Officer Water Operations		**373.25**	**392.50**	**377.50**	**382.75**	**400.50**	**417.75**	**417.75**	**417.75**
COO - Water Operations & Field Services	882001	5.00	7.25	8.25	8.25	8.50	8.75	8.75	8.75
Energy, Research & Innovation	882501	7.50	5.00	4.50	5.00	5.00	5.00	5.00	5.00
Transformation	882511	5.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Facility Operations	882421	18.00	18.50	15.50	15.75	17.50	19.50	19.50	19.50
Fleet Operations	882422	5.50	6.00	6.25	5.25	5.50	5.75	5.75	5.75
Field Service Operations	882431	66.25	68.00	63.50	63.25	65.50	67.50	67.50	67.50
Lake Huron Water Plant	882171	34.50	34.75	34.25	36.00	37.00	37.75	37.75	37.75
Northeast Water Plant	882151	31.75	34.75	34.75	33.50	35.00	36.75	36.75	36.75
Southwest Water Plant	882161	32.00	35.50	31.00	32.00	34.00	36.25	36.25	36.25
Springwells Water Plant	882141	33.50	35.25	35.25	32.75	34.50	36.25	36.25	36.25
Systems Operations Control	882301	39.75	40.00	39.25	37.00	40.00	43.00	43.00	43.00
Water Director	882101	11.00	13.25	15.50	18.00	18.00	18.00	18.00	18.00
Water Engineering	882111	23.75	26.00	21.50	23.75	25.50	27.00	27.00	27.00
Water Quality	882121	25.00	28.50	28.50	30.25	30.50	30.50	30.50	30.50
Water Works Park	882131	34.75	36.75	36.50	39.00	41.00	42.75	42.75	42.75
Chief Operating Officer Wastewater Operations		**389.50**	**397.75**	**382.25**	**386.75**	**410.50**	**436.75**	**436.75**	**436.75**
BDF, COF & Hauling	892227	8.25	7.75	7.00	6.25	6.50	6.75	6.75	6.75
Chief Operating Officer Wastewater	892001	11.50	15.25	14.50	16.00	17.00	18.00	18.00	18.00
Combined Sewer Overflow	892270	29.50	28.75	30.50	29.50	30.00	30.50	30.50	30.50
Industrial Waste Control	892231	25.75	25.25	26.75	27.50	28.00	29.00	29.00	29.00
Wastewater Dewatering Process	892225	38.25	36.50	38.00	34.25	36.50	39.25	39.25	39.25
Wastewater Director	892201	46.25	45.50	40.25	43.75	45.50	47.00	47.00	47.00
Wastewater Engineering	892211	29.00	33.50	27.00	27.00	31.00	34.75	34.75	34.75
Wastewater Incineration Process	892226	46.75	48.00	46.75	44.50	48.00	52.00	52.00	52.00
Wastewater Laboratories	892235	32.50	33.00	30.00	31.75	33.50	35.25	35.25	35.25
Wastewater Operations	892221	12.50	16.75	16.25	19.50	21.00	23.50	23.50	23.50
Wastewater Primary Process	892223	44.75	43.25	42.50	45.00	47.00	49.00	49.00	49.00
Wastewater Process Control	892222	21.25	20.50	19.00	20.25	22.50	24.75	24.75	24.75
Wastewater Secondary Process	892224	43.25	43.75	43.75	41.50	44.00	47.00	47.00	47.00

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Full-time Equivalents by Operating Area and Team (continued from previous page)

Operating Area and Team	Cost Center	Full Time Equivalents (FTEs)							
		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Chief Planning Officer		**58.50**	**60.75**	**64.25**	**67.50**	**69.00**	**70.75**	**70.75**	**70.75**
Asset Management	886201	7.00	6.50	8.75	10.00	10.00	10.00	10.00	10.00
Capital Improvement Planning	886601	8.50	9.25	10.25	10.75	11.50	12.25	12.25	12.25
Chief Planning Officer	886001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Water Analytics, Planning & Metering	886401	34.50	36.50	36.25	37.75	38.50	39.50	39.50	39.50
Wastewater Analytics, Planning & Metering	886100	3.00	2.50	4.00	4.00	4.00	4.00	4.00	4.00
Member Services	886101	3.50	4.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Administration & Compliance Officer		**128.50**	**131.25**	**135.00**	**132.50**	**137.50**	**144.25**	**144.25**	**144.25**
Chief Administrative Officer	883001	4.50	4.75	4.75	5.50	5.50	6.25	6.25	6.25
Enterprise Risk Management and Safety	883401	5.75	6.75	7.50	6.00	7.00	8.50	8.50	8.50
General Counsel	883101	7.50	8.00	7.25	8.00	8.00	8.00	8.00	8.00
Info Technology Business Productivity Systems	883341	9.50	9.00	9.75	10.25	10.50	11.00	11.00	11.00
Info Technology Enterprise Asset Mgmt Systems	883351	16.00	15.75	17.00	16.75	17.50	18.25	18.25	18.25
Info Technology Infrastructure	883331	13.00	12.25	13.00	12.25	12.50	12.75	12.75	12.75
Info Technology Security & Risk	883361	2.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Info Technology Service Delivery	883321	14.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
InfoTechnology Project Management Office	883311	11.00	11.00	11.00	10.25	10.50	10.75	10.75	10.75
Office of the CIO	883301	6.00	5.50	6.50	7.25	7.50	7.75	7.75	7.75
Organizational Development Administration	883201	4.00	4.75	4.25	3.75	4.00	4.25	4.25	4.25
Organizational Development Talent Management	883211	22.75	21.50	21.75	20.25	22.00	24.00	24.00	24.00
Organizational Development Training	883231	12.50	14.00	13.25	13.25	13.50	13.75	13.75	13.75
Chief Financial Officer		**115.00**	**120.75**	**119.25**	**123.25**	**125.00**	**126.25**	**126.25**	**126.25**
Chief Financial Officer	884001	3.50	4.50	6.50	5.50	5.50	5.50	5.50	5.50
Financial Management & Planning	884113	10.50	12.00	11.00	12.00	12.00	12.00	12.00	12.00
Financial Reporting & Accounting	884111	27.00	26.75	25.50	26.25	26.50	27.00	27.00	27.00
Logistics and Materials	884124	22.00	25.00	24.25	26.00	26.00	26.00	26.00	26.00
Procurement Director	884121	33.50	31.25	32.00	32.00	33.00	33.75	33.75	33.75
CFO Services	884141	15.50	18.25	17.00	18.50	19.00	19.00	19.00	19.00
Treasury	884131	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Chief Executive Officer		**88.50**	**100.50**	**102.50**	**101.00**	**102.50**	**104.00**	**104.00**	**104.00**
Chief Executive Officer	881001	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
HazMat	881202	18.50	19.50	20.00	19.00	19.00	19.25	19.25	19.25
Office of Emergency Preparedness	881203	2.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public Affairs	881101	8.00	8.50	9.25	9.25	9.50	9.75	9.75	9.75
Security and Integrity	881201	57.50	60.25	61.50	60.25	61.50	62.50	62.50	62.50
System Resiliency	881301	0.00	7.25	6.75	7.50	7.50	7.50	7.50	7.50
Grand Total		**1,153.25**	**1,203.50**	**1,180.75**	**1,193.75**	**1,245.00**	**1,299.75**	**1,299.75**	**1,299.75**

Utilities

GLWA utilizes Capturis, a multi-site utility information management system, which has been in place since November 2018. The system allows team members to easily view invoices, run reports, and access any utility data information that may be needed. Capturis also allows for detailed monitoring of utility usage.

Annual utility budgets are developed by utilizing recent historical information, current utility rates and forecast trends. The budget is also developed by taking into account operational plans, data from the Energy & Resiliency Team and external advisers.

Biennial Budget Request *(tables 1 through 4)*

Table 1 – Electric

The biennial budget reflects a decrease of $1.4 million, or 2.8%. The Michigan Public Service Commission reduced the Power Supply Cost Recovery Factor (PSCR), effective November 2024. This led to a cost reduction of approximately $3.1 million for FY 2025. The timing of the rate change resulted in the lower price being reflected more in the FY 2027 Budget than the FY 2026 Budget. Budgets are based on a combination of factors: projected kilowatt hours (kWh) used during an average year, historical costs, and known rate changes by DTE Energy.

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 16,677,673**	**$ 20,458,000**	**$ 4,125,739**	**$ 19,000,000**	**$ (1,458,000)**	**-7.1%**	**$ 19,286,000**
Water Works Park	2,396,592	2,500,000	545,847	2,400,000	(100,000)	-4.0%	2,436,000
Springwells Water Plant	3,696,283	4,600,000	1,038,209	4,400,000	(200,000)	-4.3%	4,466,000
Northeast Water Plant	2,081,487	4,448,000	361,900	3,300,000	(1,148,000)	-25.8%	3,350,000
Southwest Water Plant	1,798,159	1,800,000	457,813	1,900,000	100,000	5.6%	1,929,000
Lake Huron Water Plant	6,705,153	7,110,000	1,721,970	7,000,000	(110,000)	-1.5%	7,105,000
Water Resource Recovery Facility	**13,392,650**	**15,208,300**	**3,049,865**	**14,715,000**	**(493,300)**	**-3.2%**	**15,009,300**
Biosolids Dryer Facility	1,263,987	1,441,400	309,921	1,365,000	(76,400)	-5.3%	1,392,300
Wastewater Operations	12,128,663	13,766,900	2,739,944	13,350,000	(416,900)	-3.0%	13,617,000
Combined Sewer Overflow	**985,812**	**1,153,400**	**231,216**	**1,150,600**	**(2,800)**	**-0.2%**	**1,175,500**
Water Pump Stations	**11,616,602**	**11,776,300**	**3,346,859**	**12,016,000**	**239,700**	**2.0%**	**12,255,900**
Wastewater Pump Stations	**3,590,436**	**2,426,100**	**1,127,288**	**2,649,000**	**222,900**	**9.2%**	**2,712,400**
Logistics and Materials	**89,124**	**114,400**	**15,988**	**116,700**	**2,300**	**2.0%**	**119,000**
Systems Control	**95,019**	**73,400**	**16,665**	**96,000**	**22,600**	**30.8%**	**100,000**
System Analytics	**130,810**	**98,200**	**16,231**	**135,000**	**36,800**	**37.5%**	**135,000**
Grand Total	**$ 46,578,127**	**$ 51,308,100**	**$ 11,929,850**	**$ 49,878,300**	**$ (1,429,800)**	**-2.8%**	**$ 50,793,100**

Table 2 – Gas

The proposed natural gas expense budget is increasing $1.9 million, or 27.4%. Market prices are expected to increase around 25% between FY 2025 and FY 2027. Market prices are forecasted to come down gradually over time, with a 2% decline from FY 2027 to FY 2028. The most recent report on natural gas from the U.S. Energy Information Administration in September 2025 indicates that domestic natural gas production is expected to stay flat, U.S. exports of liquified natural gas is increasing, and the price forecast could be double in 2026 when compared to 2024. GLWA minimizes the impact of market volatility by laddering gas purchases at fixed prices for one to two year intervals.

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 1,199,350**	**$ 1,081,000**	**$ 36,928**	**$ 1,058,000**	**$ (23,000)**	**-2.1%**	**$ 1,070,000**
Water Works Park	370,619	234,600	(961)	200,000	(34,600)	-14.7%	202,000
Springwells Water Plant	340,071	306,000	15,283	350,000	44,000	14.4%	354,000
Northeast Water Plant	161,870	173,400	1,997	173,000	(400)	-0.2%	175,000
Southwest Water Plant	175,282	214,000	2,099	185,000	(29,000)	-13.6%	187,000
Lake Huron Water Plant	151,508	153,000	18,511	150,000	(3,000)	-2.0%	152,000
Water Resource Recovery Facility	**5,934,849**	**5,598,900**	**1,662,576**	**7,418,600**	**1,819,700**	**32.5%**	**7,299,800**
Biosolids Dryer Facility	2,370,224	2,216,000	721,280	2,962,800	746,800	33.7%	2,915,300
Wastewater Operations	3,564,625	3,382,900	941,296	4,455,800	1,072,900	31.7%	4,384,500
Combined Sewer Overflow	**224,460**	**205,500**	**(8,939)**	**280,700**	**75,200**	**36.6%**	**276,100**
Water Pump Stations	**154,054**	**110,600**	**5,454**	**123,200**	**12,600**	**11.4%**	**126,100**
Wastewater Pump Stations	**86,746**	**60,600**	**(4,790)**	**108,400**	**47,800**	**78.9%**	**106,700**
Logistics and Materials	**61,394**	**55,800**	**(897)**	**72,300**	**16,500**	**29.6%**	**73,700**
Systems Control	**209**	**200**	**55**	**200**	**-**	**0.0%**	**200**
Grand Total	**$ 7,661,062**	**$ 7,112,600**	**$ 1,690,388**	**$ 9,061,400**	**$ 1,948,800**	**27.4%**	**$ 8,952,600**

Table 3 – Water

The proposed water expense budget reflects a decrease of $1.0 million, or 8.6%, for FY 2027. Budgets are based on historical costs, influenced by known rate changes. The major driver of this decrease is the Water Resource Recovery Facility (WRRF), decreasing $894,300. The WRRF continues to identify opportunities for water conservation, and improvements for water reuse which will reduce system dependency on purchased treated water.

	FY 2025	FY 2026		FY 2027			FY 2028
Team	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Treatment Plants	**$ 969**	**$ 1,500**	**$ 222**	**$ 1,500**	**$ -**	**0.0%**	**$ 1,500**
Northeast Water Plant	98	500	-	500	-	0.0%	500
Southwest Water Plant	871	1,000	222	1,000	-	0.0%	1,000
Water Resource Recovery Facility	**9,906,183**	**11,561,300**	**2,921,362**	**10,560,000**	**(1,001,300)**	**-8.7%**	**9,547,200**
Biosolids Dryer Facility	329,778	467,000	136,139	360,000	(107,000)	-22.9%	367,200
Wastewater Operations	9,576,405	11,094,300	2,785,223	10,200,000	(894,300)	-8.1%	9,180,000
Combined Sewer Overflow	**428,592**	**541,000**	**147,789**	**510,700**	**(30,300)**	**-5.6%**	**520,900**
Water Pump Stations	**389**	**1,000**	**171**	**1,000**	**-**	**0.0%**	**1,000**
Wastewater Pump Stations	**77,694**	**86,500**	**11,339**	**80,400**	**(6,100)**	**-7.1%**	**82,000**
Logistics and Materials	**1,123**	**10,900**	**279**	**4,100**	**(6,800)**	**-62.4%**	**4,200**
Systems Control	**4,931**	**600**	**358**	**600**	**-**	**0.0%**	**600**
Grand Total	**$ 10,419,881**	**$ 12,202,800**	**$ 3,081,520**	**$ 11,158,300**	**$ (1,044,500)**	**-8.6%**	**$ 10,157,400**

Table 4 – Sewer

The proposed sewer expense budget reflects a decrease of $143,100, or 5.8%. This category includes both sewerage charges and stormwater drainage charges. The largest decrease is at the Biosolids Dryer Facility of $120,000. The FY 2027 and FY 2028 Budget have been developed based on recent average usage volume.

Team	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Water Treatment Plants	**$ 1,019,065**	**$ 760,000**	**$ 143,804**	**$ 818,000**	**$ 58,000**	**7.6%**	**$ 830,000**
Water Works Park	59,438	60,000	16,636	63,000	3,000	5.0%	64,000
Northeast Water Plant	168,671	180,000	48,290	180,000	-	0.0%	182,000
Southwest Water Plant	717,473	450,000	56,126	500,000	50,000	11.1%	508,000
Lake Huron Water Plant	73,483	70,000	22,752	75,000	5,000	7.1%	76,000
Water Resource Recovery Facility	**855,596**	**1,112,600**	**300,814**	**910,000**	**(202,600)**	**-18.2%**	**928,200**
Biosolids Dryer Facility	383,956	530,000	161,485	410,000	(120,000)	-22.6%	418,200
Wastewater Operations	471,640	582,600	139,329	500,000	(82,600)	-14.2%	510,000
Combined Sewer Overflow	**498,134**	**537,200**	**151,134**	**549,700**	**12,500**	**2.3%**	**560,400**
Water Pump Stations	**2,867**	**8,400**	**764**	**8,400**	**-**	**0.0%**	**8,400**
Wastewater Pump Stations	**10,614**	**10,000**	**3,043**	**10,100**	**100**	**1.0%**	**10,200**
Logistics and Materials	**1,894**	**25,100**	**499**	**6,500**	**(18,600)**	**-74.1%**	**6,600**
Systems Control	**12,038**	**2,000**	**538**	**9,500**	**7,500**	**375.0%**	**9,500**
Grand Total	**$ 2,400,208**	**$ 2,455,300**	**$ 600,595**	**$ 2,312,200**	**$ (143,100)**	**-5.8%**	**$ 2,353,300**

Five-Year Financial Plan *(tables 5 through 8)*

Table 5 – Electric

The average annual projected increase in surcharges and electric rates from DTE for FY 2027 through FY 2031 is approximately 0.8% per year. This results in an average annual cost increase from FY 2025 through FY 2027 of 3.7%.

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Water Treatment Plants	**$ 16,677,673**	**$ 20,458,000**	**$ 19,000,000**	**$ 19,286,000**	**$ 19,576,000**	**$ 19,871,000**	**$ 20,169,000**
Water Works Park	2,396,592	2,500,000	2,400,000	2,436,000	2,473,000	2,511,000	2,549,000
Springwells Water Plant	3,696,283	4,600,000	4,400,000	4,466,000	4,533,000	4,601,000	4,671,000
Northeast Water Plant	2,081,487	4,448,000	3,300,000	3,350,000	3,400,000	3,450,000	3,500,000
Southwest Water Plant	1,798,159	1,800,000	1,900,000	1,929,000	1,958,000	1,988,000	2,018,000
Lake Huron Water Plant	6,705,153	7,110,000	7,000,000	7,105,000	7,212,000	7,321,000	7,431,000
Water Resource Recovery Facility	**13,392,650**	**15,208,300**	**14,715,000**	**15,009,300**	**15,309,400**	**15,615,600**	**15,927,900**
Biosolids Dryer Facility	1,263,987	1,441,400	1,365,000	1,392,300	1,420,100	1,448,500	1,477,500
Wastewater Operations	12,128,663	13,766,900	13,350,000	13,617,000	13,889,300	14,167,100	14,450,400
Combined Sewer Overflow	**985,812**	**1,153,400**	**1,150,600**	**1,175,500**	**1,200,900**	**1,226,900**	**1,251,600**
Water Pump Stations	**11,616,602**	**11,776,300**	**12,016,000**	**12,255,900**	**12,500,300**	**12,742,600**	**12,807,600**
Wastewater Pump Stations	**3,590,436**	**2,426,100**	**2,649,000**	**2,712,400**	**2,777,600**	**2,844,500**	**2,901,500**
Logistics and Materials	**89,124**	**114,400**	**116,700**	**119,000**	**121,400**	**123,800**	**123,800**
Systems Control	**95,019**	**73,400**	**96,000**	**100,000**	**105,000**	**111,000**	**117,000**
System Analytics	**130,810**	**98,200**	**135,000**	**135,000**	**135,000**	**135,000**	**135,000**
Grand Total	**$ 46,578,127**	**$ 51,308,100**	**$ 49,878,300**	**$ 50,793,100**	**$ 51,725,600**	**$ 52,670,400**	**$ 53,433,400**

Table 6 – Gas

The largest natural gas users are the Biosolids Dryer Facility and the WRRF. The forecast for the two cost centers is based on historical data which takes into account cyclical cost variations. The Authority purchases natural gas as a MiDeal member through the Michigan Natural Gas Customer Choice Program and locks in rates to ensure consistent pricing.

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water Treatment Plants	**$ 1,199,350**	**$ 1,081,000**	**$ 1,058,000**	**$ 1,070,000**	**$ 1,083,000**	**$ 1,096,000**	**$ 1,109,000**
Water Works Park	370,619	234,600	200,000	202,000	205,000	208,000	211,000
Springwells Water Plant	340,071	306,000	350,000	354,000	358,000	362,000	366,000
Northeast Water Plant	161,870	173,400	173,000	175,000	177,000	179,000	181,000
Southwest Water Plant	175,282	214,000	185,000	187,000	189,000	191,000	193,000
Lake Huron Water Plant	151,508	153,000	150,000	152,000	154,000	156,000	158,000
Water Resource Recovery Facility	**5,934,849**	**5,598,900**	**7,418,600**	**7,299,800**	**7,062,400**	**7,203,600**	**7,347,600**
Biosolids Dryer Facility	2,370,224	2,216,000	2,962,800	2,915,300	2,820,500	2,876,900	2,934,400
Wastewater Operations	3,564,625	3,382,900	4,455,800	4,384,500	4,241,900	4,326,700	4,413,200
Combined Sewer Overflow	**224,460**	**205,500**	**280,700**	**276,100**	**267,100**	**272,400**	**277,800**
Water Pump Stations	**154,054**	**110,600**	**123,200**	**126,100**	**130,300**	**136,000**	**136,000**
Wastewater Pump Stations	**86,746**	**60,600**	**108,400**	**106,700**	**103,200**	**105,200**	**107,300**
Logistics and Materials	**61,394**	**55,800**	**72,300**	**73,700**	**75,200**	**76,700**	**78,200**
Systems Control	**209**	**200**	**200**	**200**	**300**	**300**	**300**
Grand Total	**$ 7,661,062**	**$ 7,112,600**	**$ 9,061,400**	**$ 8,952,600**	**$ 8,721,500**	**$ 8,890,200**	**$ 9,056,200**

Table 7 – Water

Water billings received are for usage and include a fixed fee based on meter size. The average annual increase for the period FY 2028 to FY 2031 is approximately 0.4% per year.

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water Treatment Plants	**$ 969**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**	**$ 1,500**
Northeast Water Plant	98	500	500	500	500	500	500
Southwest Water Plant	871	1,000	1,000	1,000	1,000	1,000	1,000
Water Resource Recovery Facility	**9,906,183**	**11,561,300**	**10,560,000**	**9,547,200**	**10,574,500**	**10,582,000**	**10,589,600**
Biosolids Dryer Facility	329,778	467,000	360,000	367,200	374,500	382,000	389,600
Wastewater Operations	9,576,405	11,094,300	10,200,000	9,180,000	10,200,000	10,200,000	10,200,000
Combined Sewer Overflow	**428,592**	**541,000**	**510,700**	**520,900**	**531,400**	**542,000**	**552,900**
Water Pump Stations	**389**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**
Wastewater Pump Stations	**77,694**	**86,500**	**80,400**	**82,000**	**83,700**	**85,400**	**87,100**
Logistics and Materials	**1,123**	**10,900**	**4,100**	**4,200**	**4,300**	**4,400**	**4,500**
Systems Control	**4,931**	**600**	**600**	**600**	**600**	**700**	**700**
Grand Total	**$ 10,419,881**	**$ 12,202,800**	**$ 11,158,300**	**$ 10,157,400**	**$ 11,197,000**	**$ 11,217,000**	**$ 11,237,300**

Table 8 – Sewer

See Table 4 for a detailed discussion of these costs for FY 2027. The average annual increase for the period FY 2028 to FY 2031 is approximately 1.8% per year.

	Actual	Amended Budget	Proposed Budget		Projected		
Team	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water Treatment Plants	**$ 1,019,065**	**$ 760,000**	**$ 818,000**	**$ 830,000**	**$ 842,000**	**$ 854,000**	**$ 866,000**
Water Works Park	59,438	60,000	63,000	64,000	65,000	66,000	67,000
Northeast Water Plant	168,671	180,000	180,000	182,000	184,000	186,000	188,000
Southwest Water Plant	717,473	450,000	500,000	508,000	516,000	524,000	532,000
Lake Huron Water Plant	73,483	70,000	75,000	76,000	77,000	78,000	79,000
Water Resource Recovery Facility	**855,596**	**1,112,600**	**910,000**	**928,200**	**946,800**	**965,700**	**985,000**
Biosolids Dryer Facility	383,956	530,000	410,000	418,200	426,600	435,100	443,800
Wastewater Operations	471,640	582,600	500,000	510,000	520,200	530,600	541,200
Combined Sewer Overflow	**498,134**	**537,200**	**549,700**	**560,400**	**571,300**	**582,400**	**594,100**
Water Pump Stations	**2,867**	**8,400**	**8,400**	**8,400**	**8,500**	**8,600**	**8,600**
Wastewater Pump Stations	**10,614**	**10,000**	**10,100**	**10,200**	**10,300**	**10,400**	**10,600**
Logistics and Materials	**1,894**	**25,100**	**6,500**	**6,600**	**6,700**	**6,800**	**6,900**
Systems Control	**12,038**	**2,000**	**9,500**	**9,500**	**9,500**	**9,600**	**9,600**
Grand Total	**$ 2,400,208**	**$ 2,455,300**	**$ 2,312,200**	**$ 2,353,300**	**$ 2,395,100**	**$ 2,437,500**	**$ 2,480,800**

Chemicals - Bulk

Water and wastewater operations utilize chemicals in the processing of raw water, and wastewater effluent. These chemicals are used for removing impurities from the source waters, corrosion control, and disinfecting to specific standards. These chemicals ensure water produced for the public is of unquestionable quality and that wastewater treatment is environmentally responsible.

Biennial Budget Request

The proposed chemical expense budget for FY 2027 is decreasing $4.1 million, or 10.6%. Key aspects of the chemical budget include the following.

- Chemicals are used in operations to maintain compliance with standards established by the federal Environmental Protection Agency (EPA) and state of Michigan Department of Environment, Great Lakes and Energy (EGLE).
- The annual budget is based on the projected operational volume used during an average year. Volumes of chemical use vary from year to year depending on weather, demand, and the condition of source waters. The projected chemical volume excludes abnormal demands by operations noted above. Budget amendments during a fiscal year are the result of actual usage compared with the budgeted average volume assumption.
    - Beginning in January 2025 new Federal Lead & Copper Rule Revisions (LCRR) required additional orthophosphate in the water plant and ferric chloride at the Water Resource Recovery Facility (WRRF) to meet the new regulatory requirements. Budget amendments were made in FY 2025 to reflect the increased volume, and this led to the budget increase for FY 2026. Since the start of the LCRR in January 2025, the additional orthophosphate and ferric chloride required to meet the regulations has been less than the original estimates, though the final impact is currently under evaluation. Due to these volume changes the orthophosphate budget was reduced $1.9 million and ferric chloride was reduced $1.7 million.
- Chemical supply agreements are subject to manufacturers' pricing, which can be negatively impacted by raw material shortages, international trade barriers, as well as supplier attrition. GLWA is subject to those pricing adjustments which may occur throughout the fiscal year.
    - The demand for chlorine in the COVID era resulted in an increase in costs per unit for water purposes of 276% and for wastewater purposes of 565%. While prices remain elevated, they began to stabilize in FY 2024 due to a decrease in domestic demand. This stability of pricing was not anticipated when the FY 2026 budget was established, the FY 2027 budget reflects this pricing stability.
    - In the fall of FY 2026 the market for sodium hypochlorite, used for wet weather wastewater treatment, fell by 44.2% resulting in a $2.1 million budget reduction. This reduction is reflected in the FY 2027 budget.
- Transportation of chemicals to the various GLWA facilities also may impact the cost and delivery structure from the suppliers.

Outlook for Water and Wastewater Systems

As noted above, GLWA is subject to market conditions for pricing and supply. Supply chain constraints for chemicals can affect the industry nationwide.

The Federal LCRR is still presented as a risk for further budget increase due to EPA future lead action levels being enacted and further data points are gathered.

Examples of pricing changes in the fall of 2025 that affect the budget for FY 2027 and beyond are listed below.

- Orthophosphate unit cost increased 10.0%
- Ferric chloride unit cost increased 4.2%
- Sodium hypochlorite unit cost decreased 44.2%

Significant Chemical Contracts

The Water and Wastewater Systems budgets contain several commodities agreements for the chemicals used to treat raw water and effluent. As noted above, these agreements are subject to market pricing conditions. The outcome of commodity usage forecasts, with both increasing and decreasing costs, is 10.6% for FY 2027 and a 2.1% increase for FY 2028.

Table 1- Biennial Budget Request by Team

	FY 2025	FY 2026		FY 2027			FY 2028
Cost Center	Actual	Adopted Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water Quality	**$ 192,085**	**$ 230,000**	**$ (53,681)**	**$ -**	**$ (230,000)**	**-100.0%**	**$ -**
Water Treatment Plants	**13,919,717**	**14,674,300**	**3,338,790**	**14,906,600**	**232,300**	**1.6%**	**15,303,900**
Water Works Park	2,002,791	2,526,500	385,327	3,408,900	882,400	34.9%	3,460,000
Springwells Water Plant	3,793,513	4,125,000	976,975	3,975,000	(150,000)	-3.6%	4,034,600
Northeast Water Plant	2,241,739	2,492,500	688,588	2,572,800	80,300	3.2%	2,611,800
Southwest Water Plant	2,599,281	1,837,000	507,973	2,225,100	388,100	21.1%	2,336,600
Lake Huron Water Plant	3,282,393	3,693,300	779,927	2,724,800	(968,500)	-26.2%	2,860,900
Water Resource Recovery Facility	**15,967,914**	**19,440,200**	**3,882,664**	**17,290,900**	**(2,149,300)**	**-11.1%**	**17,614,200**
Wastewater Director	7,538	5,500	(3,083)	5,500	-	0.0%	5,500
Wastewater Operations	-	4,000	-	4,100	100	2.5%	4,200
Wastewater Primary Process	5,338,721	7,498,000	1,547,834	5,817,100	(1,680,900)	-22.4%	5,955,000
Wastewater Secondary Process	9,062,495	10,573,700	2,067,450	10,039,500	(534,200)	-5.1%	10,224,800
Wastewater Dewatering Process	1,558,161	1,355,000	270,463	1,420,700	65,700	4.8%	1,420,700
Wastewater Incineration Process	998	4,000	-	4,000	-	0.0%	4,000
Industrial Waste Control	**68**	**300**	**-**	**300**	**-**	0.0%	**300**
Wastewater Laboratories	**168,113**	**221,200**	**58**	**-**	**(221,200)**	**-100.0%**	**-**
Combined Sewer Overflow	**4,137,226**	**3,798,600**	**630,459**	**2,108,900**	**(1,689,700)**	**-44.5%**	**2,108,900**
Puritan Fenkell Combined Sewer Overflow	54,678	29,000	-	21,800	(7,200)	-24.8%	21,800
Hubble Southfield CSO	463,525	307,600	41,458	196,700	(110,900)	-36.1%	196,700
7 Mile Combined Sewer Overflow	-	-	-	3,300	3,300	N/A	3,300
Leib Combined Sewer Overflow	117,909	146,700	78,446	77,800	(68,900)	-47.0%	77,800
St Aubin Combined Sewer Overflow	130,514	72,200	13,066	49,300	(22,900)	-31.7%	49,300
Conner Pumping Station	2,728,345	2,409,500	445,198	1,341,900	(1,067,600)	-44.3%	1,341,900
Baby Creek Combined Sewer Overflow	374,669	514,000	26,190	257,000	(257,000)	-50.0%	257,000
Oakwood Combined Sewer Overflow	248,373	293,400	26,101	145,000	(148,400)	-50.6%	145,000
Belle Isle Combined Sewer Overflow	19,212	26,200	-	16,100	(10,100)	-38.5%	16,100
Grand Total	**$ 34,385,123**	**$ 38,364,600**	**$ 7,798,289**	**$ 34,306,700**	**$ (4,057,900)**	**-10.6%**	**$ 35,027,300**

Five-Year Financial Plan

The proposed five-year plan reflects a leveling of the commodity pricing. The plan forecasts a 10.6% decrease in cost for FY 2027, with increases ranging from 0.9% to 2.1% through FY 2031.

Table 2 - Five-Year Financial Plan by Team

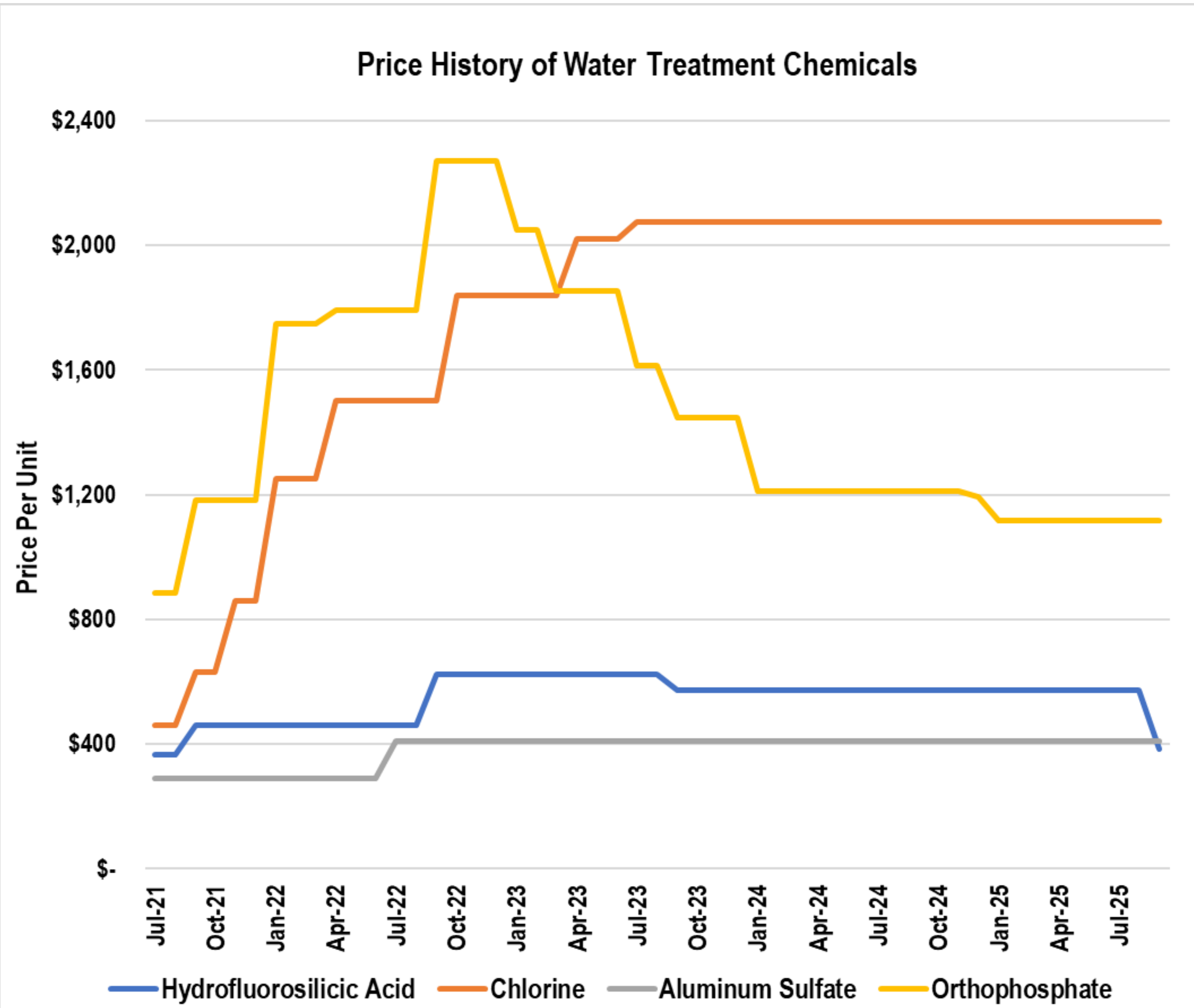
	Actual	Adopted Budget	Proposed Budget		Projected		
Cost Center	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Water Quality	**$ 192,085**	**$ 230,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Water Treatment Plants	**13,919,717**	**14,674,300**	**14,906,600**	**15,303,900**	**15,303,900**	**15,303,900**	**15,303,900**
Water Works Park	2,002,791	2,526,500	3,408,900	3,460,000	3,460,000	3,460,000	3,460,000
Springwells Water Plant	3,793,513	4,125,000	3,975,000	4,034,600	4,034,600	4,034,600	4,034,600
Northeast Water Plant	2,241,739	2,492,500	2,572,800	2,611,800	2,611,800	2,611,800	2,611,800
Southwest Water Plant	2,599,281	1,837,000	2,225,100	2,336,600	2,336,600	2,336,600	2,336,600
Lake Huron Water Plant	3,282,393	3,693,300	2,724,800	2,860,900	2,860,900	2,860,900	2,860,900
Water Resource Recovery Facility	**15,967,914**	**19,440,200**	**17,290,900**	**17,614,200**	**17,922,300**	**18,251,000**	**18,599,800**
Wastewater Director	7,538	5,500	5,500	5,500	5,500	5,500	5,500
Wastewater Operations	-	4,000	4,100	4,200	4,300	4,400	4,500
Wastewater Primary Process	5,338,721	7,498,000	5,817,100	5,955,000	6,074,100	6,195,600	6,319,500
Wastewater Secondary Process	9,062,495	10,573,700	10,039,500	10,224,800	10,413,700	10,620,800	10,817,200
Wastewater Dewatering Process	1,558,161	1,355,000	1,420,700	1,420,700	1,420,700	1,420,700	1,449,100
Wastewater Incineration Process	998	4,000	4,000	4,000	4,000	4,000	4,000
Industrial Waste Control	**68**	**300**	**300**	**300**	**300**	**300**	**300**
Wastewater Laboratories	**168,113**	**221,200**	**-**	**-**	**-**	**-**	**-**
Combined Sewer Overflow	**4,137,226**	**3,798,600**	**2,108,900**	**2,108,900**	**2,108,900**	**2,151,000**	**2,151,000**
Puritan Fenkell Combined Sewer Overflow	54,678	29,000	21,800	21,800	21,800	22,200	22,200
Hubble Southfield CSO	463,525	307,600	196,700	196,700	196,700	200,600	200,600
7 Mile Combined Sewer Overflow	-	-	3,300	3,300	3,300	3,400	3,400
Leib Combined Sewer Overflow	117,909	146,700	77,800	77,800	77,800	79,400	79,400
St Aubin Combined Sewer Overflow	130,514	72,200	49,300	49,300	49,300	50,300	50,300
Conner Pumping Station	2,728,345	2,409,500	1,341,900	1,341,900	1,341,900	1,368,700	1,368,700
Baby Creek Combined Sewer Overflow	374,669	514,000	257,000	257,000	257,000	262,100	262,100
Oakwood Combined Sewer Overflow	248,373	293,400	145,000	145,000	145,000	147,900	147,900
Belle Isle Combined Sewer Overflow	19,212	26,200	16,100	16,100	16,100	16,400	16,400
Grand Total	**$ 34,385,123**	**$ 38,364,600**	**$ 34,306,700**	**$ 35,027,300**	**$ 35,335,400**	**$ 35,706,200**	**$ 36,055,000**

Water Chemicals

Chemicals are a significant expense category in the Water Operations budget. The chart below displays the four most significant chemicals utilized in potabile water production. Hydrofluorosilicic acid, chlorine and aluminum sulfate, the three of the largest chemical costs for water production, have remained essentially stable.

The table below shows the changes in the historical cost per unit of the major chemicals required in the treatment of drinking water from July 2021 through September 2025 (*).

Chart 1- Price History of Water Treatment Chemicals



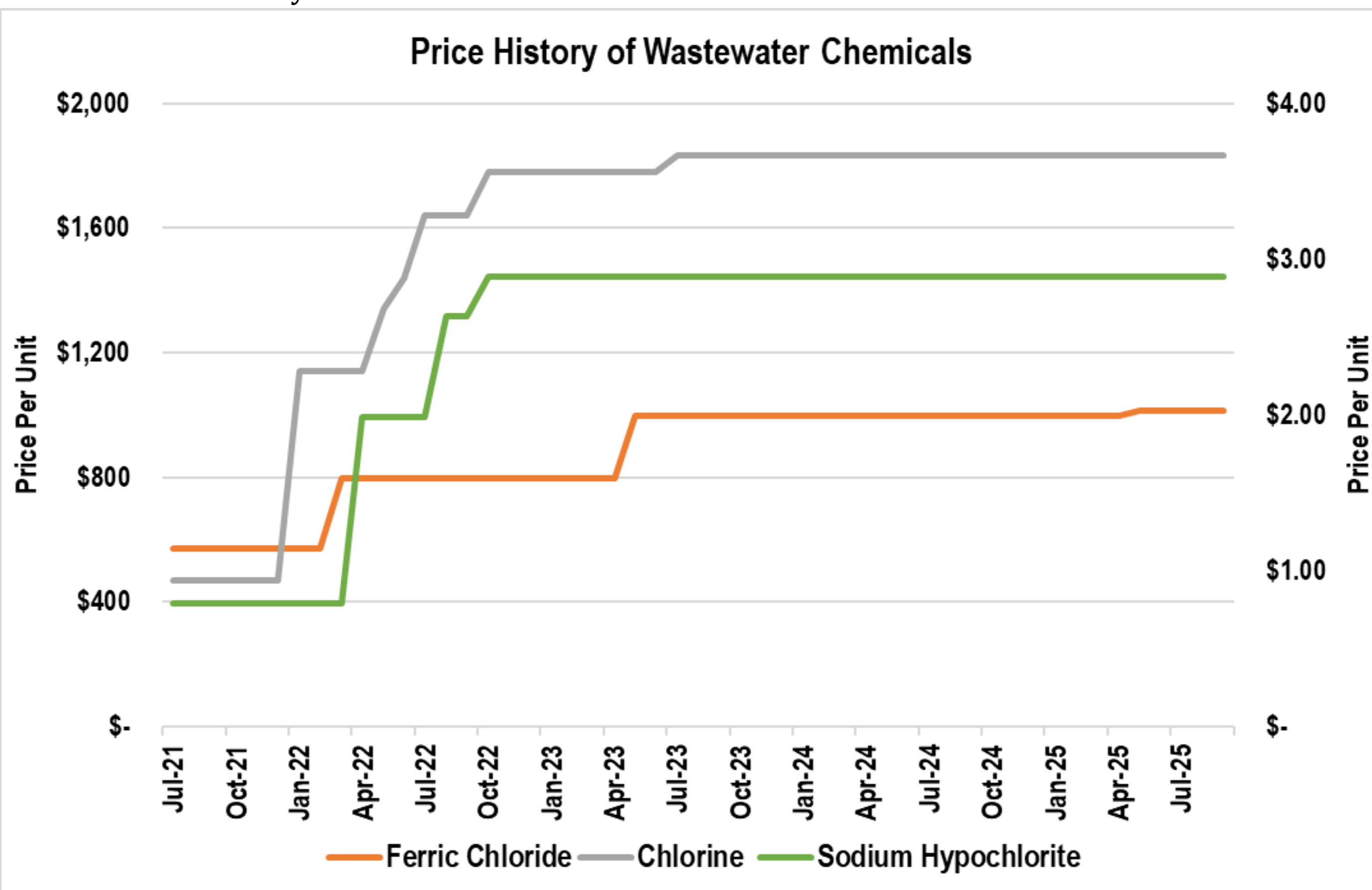
(*) *changes effective in the fall of 2025 noted above are not yet reflected here*

Wastewater Chemicals

This category had one of the largest impacts on the cost structure for the Wastewater Operations budget. As noted above, the pricing of chlorine-based chemicals used for the disinfection of wastewater effluent, has continued to have a significant impact on the FY 2027 budget. Though price changes have been less frequent, the costs incurred remain elevated.

The table below shows the changes in the historical cost per unit of the major chemicals required to treat the flow in the Wastewater Resource Recovery Facility and the Combined Sewer Overflow facilities between July 2021 and September 2025(*).

Chart 2 – Price History of Wastewater Treatment Chemicals



(*) *changes effective in the fall of 2025 noted above are not yet reflected here*

Shared Services

GLWA and DWSD (Detroit Water and Sewerage Department) leverage economies of scale, assets, technology, and expertise by sharing services. The shared services agreement, dated December 1, 2015, is available on the GLWA website at the Investor Relations section.

The shared services billing process began in FY 2016 and was new to both entities. To best facilitate the tracking of expenses for those agreements in which GLWA provides services to DWSD (GLWA as Provider), GLWA has designed its general ledger system to manage the budget and accumulate costs via a "contra" account in each cost center that matches the source of the expense (hence the contra amounts are shown as negative amounts). The net effect on the cost center expense is zero which preserves the basis for appropriate cost allocation. Amounts charged by DWSD, for services provided to GLWA (GLWA as Subscriber), are recorded in a manner consistent with other vendor expenses.

The tables below provide an overall look of the shared services that are included in the details of the budgets by operating area in Section 5 – Operating Financial Plans.

GLWA as a Provider

Biennial Budget Request

The biennial budget for GLWA as a Provider reflects an overall increase in services provided for FY 2027 of $111,000 or 4.9%, as compared to the FY 2026 Amended Budget. The primary reason for the changes to the shared services agreements in FY 2027 are mainly due to inflation, most increases have been offset by minor decreases in other areas.

Shared Services - GLWA as Provider - Biennial Budget by Area and Cost Center

	Actual	FY 2026		FY 2027			FY 2028
Cost Center & Description	**FY 2025**	**Amended Budget**	**Activity as of 09.30.2025**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**
Wastewater System Operations	**$ (527,744)**	**$ (714,300)**	**$ (109,664)**	**$ (750,300)**	**$ (36,000)**	**5.0%**	**$ (769,500)**
892279 Belle Isle Combined Sewer Overflow	(118,025)	(75,500)	(12,876)	**$ (81,300)**	**$ (5,800)**	**7.7%**	(82,300)
892222 Wastewater Process Control	(228,402)	(161,100)	(30,730)	**(169,200)**	**(8,100)**	**5.0%**	(177,700)
892342 Belle Isle Pumping Station	(15,115)	(77,000)	(7,726)	**(77,700)**	**(700)**	**0.9%**	(79,200)
892343 Blue Hill Pumping Station	(6,478)	(269,000)	(37,818)	**(291,100)**	**(22,100)**	**8.2%**	(296,800)
892347 Fischer Pumping Station	(125,025)	(23,000)	(6,866)	**(42,400)**	**(19,400)**	**84.3%**	(43,200)
892352 Woodmere Pumping Station	(34,699)	(108,700)	(13,648)	**(88,600)**	**20,100**	**-18.5%**	(90,300)
Centralized Services	**(1,876,180)**	**(1,375,100)**	**(244,458)**	**(1,443,800)**	**(68,700)**	**5.0%**	**(1,516,000)**
883321 Info Technology Service Delivery	(186,822)	(162,400)	(27,068)	**(170,500)**	**(8,100)**	**5.0%**	(179,000)
883331 Info Technology Infrastructure	(114,862)	(123,900)	(19,066)	**(130,100)**	**(6,200)**	**5.0%**	(136,600)
881201 Security and Integrity	(280,510)	(235,700)	(46,748)	**(247,500)**	**(11,800)**	**5.0%**	(259,900)
882301 Systems Operations Control	(1,293,986)	(853,100)	(151,576)	**(895,700)**	**(42,600)**	**5.0%**	(940,500)
Adminstrative & Other Services	**(178,731)**	**(174,400)**	**(10,646)**	**(180,700)**	**(6,300)**	**3.6%**	**(184,200)**
884131 Treasury	(104,131)	(110,000)	86	**(110,000)**	**-**	**0.0%**	(110,000)
884141 CFO Services	(61,300)	(64,400)	(10,732)	**(70,700)**	**(6,300)**	**9.8%**	(74,200)
883231 Organizational Development	(13,300)	-	-	**-**	**-**	**0.0%**	-
Grand Total	**$ (2,582,655)**	**$ (2,263,800)**	**$ (364,768)**	**$ (2,374,800)**	**$ (111,000)**	**4.9%**	**$ (2,469,700)**

Five-Year Financial Plan

Shared Services - GLWA as Provider - Five-Year Financial Plan by Area and Cost Center

Cost Center & Description	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Wastewater System Operations	**$ (527,744)**	**$ (714,300)**	**$ (750,300)**	**$ (769,500)**	**$ (791,300)**	**$ (812,100)**	**$ (818,100)**
892279 Belle Isle Combined Sewer Overflow	(118,025)	(75,500)	**(81,300)**	(82,300)	(84,300)	(85,600)	(70,500)
892222 Wastewater Process Control	(228,402)	(161,100)	**(169,200)**	(177,700)	(186,600)	(196,000)	(205,800)
892342 Belle Isle Pumping Station	(15,115)	(77,000)	**(77,700)**	(79,200)	(81,000)	(82,600)	(84,400)
892343 Blue Hill Pumping Station	(6,478)	(269,000)	**(291,100)**	(296,800)	(302,900)	(308,900)	(315,300)
892347 Fischer Pumping Station	(125,025)	(23,000)	**(42,400)**	(43,200)	(44,200)	(45,000)	(46,000)
892352 Woodmere Pumping Station	(34,699)	(108,700)	**(88,600)**	(90,300)	(92,300)	(94,000)	(96,100)
Centralized Services	**(1,876,180)**	**(1,375,100)**	**(1,443,800)**	**(1,516,000)**	**(1,592,000)**	**(1,671,600)**	**(1,755,200)**
883321 Info Technology Service Delivery	(186,822)	(162,400)	**(170,500)**	(179,000)	(188,000)	(197,400)	(207,200)
883331 Info Technology Infrastructure	(114,862)	(123,900)	**(130,100)**	(136,600)	(143,500)	(150,700)	(158,300)
881201 Security and Integrity	(280,510)	(235,700)	**(247,500)**	(259,900)	(272,900)	(286,500)	(300,900)
882301 Systems Operations Control	(1,293,986)	(853,100)	**(895,700)**	(940,500)	(987,600)	(1,037,000)	(1,088,800)
Adminstrative & Other Services	**(178,731)**	**(174,400)**	**(180,700)**	**(184,200)**	**(188,000)**	**(191,900)**	**(196,000)**
883231 Organizational Development Training	(13,300)	-	**-**	-	-	-	-
884131 Treasury	(104,131)	(110,000)	**(110,000)**	(110,000)	(110,000)	(110,000)	(110,000)
884141 CFO Services	(61,300)	(64,400)	**(70,700)**	(74,200)	(78,000)	(81,900)	(86,000)
Grand Total	**$ (2,582,655)**	**$ (2,263,800)**	**$ (2,374,800)**	**$ (2,469,700)**	**$ (2,571,300)**	**$ (2,675,600)**	**$ (2,769,300)**

GLWA as a Subscriber

Biennial Budget Request

The biennial budget for GLWA as a Subscriber reflects an overall increase in FY 2027 of $3,400, or 0.1%, as compared to the FY 2026 Amended Budget.

Shared Services - GLWA as Subscriber - Biennial Budget by Area and Cost Center

Cost Center & Description	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Centralized Services	**$ 92,905**	**$ 2,759,100**	**$ 459,850**	**$ 2,814,300**	**$ 55,200**	**2.0%**	**$ 2,870,500**
882421 Facility Operations	(72,695)	2,590,200	431,700	**$ 2,642,000**	**$ 51,800**	**2.0%**	2,694,800
883331 Info Technology Infrastructure	165,600	168,900	28,150	**$ 172,300**	**$ 3,400**	**2.0%**	175,700
Grand Total	**$ 92,905**	**$ 2,759,100**	**$ 459,850**	**$ 2,814,300**	**$ 55,200**	**2.0%**	**$ 2,870,500**

Five-Year Financial Plan

Shared Services - GLWA as Subscriber - Five-Year Financial Plan by Area and Cost Center

Cost Center & Description	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Centralized Services	**$ 92,905**	**$ 2,759,100**	**$ 2,814,300**	**$ 2,870,500**	**$ 2,927,900**	**$ 2,986,500**	**$ 2,989,700**
882421 Facility Operations	(72,695)	2,590,200	**2,642,000**	2,694,800	2,748,700	2,803,700	2,803,700
883331 Info Technology Infrastructure	165,600	168,900	**172,300**	175,700	179,200	182,800	186,000
Grand Total	**$ 92,905**	**$ 2,759,100**	**$ 2,814,300**	**$ 2,870,500**	**$ 2,927,900**	**$ 2,986,500**	**$ 2,989,700**

Shared Services by Number

The following table shows the activity for all of the shared services by the identification number used for the shared service. It includes both GLWA as the service "provider" and services received by GLWA as the "subscriber".

Five-Year Financial Plan by Shared Services Number - GLWA as Provider & Subscriber

Shared Services Number & Description	Cost Center - Description	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget		Projected		
		FY 2025	FY 2026		FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
GLWA Provider		**$ (2,582,655)**	**$ (2,263,800)**	**$ (364,768)**	**$ (2,374,800)**	**$ (2,469,700)**	**$ (2,571,300)**	**$ (2,675,600)**	**$ (2,769,300)**
ITS-009A IT Infrastructure	883331 - Information Technology Infrastructure	(18,699)	-	-	-	-	-	-	-
ITS-011 Print Shop	883321 - Information Technology Service Delivery	(186,822)	(162,400)	(27,068)	(170,500)	(179,000)	(188,000)	(197,400)	(207,200)
ITS-014 Security Network	883331 - Information Technology Infrastructure	(96,163)	(123,900)	(19,066)	(130,100)	(136,600)	(143,500)	(150,700)	(158,300)
DWSD - Bank Fees	884131 - Treasury	(104,131)	(110,000)	86	(110,000)	(110,000)	(110,000)	(110,000)	(110,000)
DWSD - Public Finance	884141 - CFO Services	(61,300)	(64,400)	(10,732)	(70,700)	(74,200)	(78,000)	(81,900)	(86,000)
OPS-005A Security and	881201 - Security and Integrity	(280,510)	(235,700)	(46,748)	(247,500)	(259,900)	(272,900)	(286,500)	(300,900)
DWSD Staff Training by GLWA	883231 - Organizational Development Training	(13,300)	-	-	-	-	-	-	-
OPS-008 Systems Control Center: Detroit Only Pump Stations/CSO	OPS-008 Total:	(1,821,730)	(1,567,400)	(261,240)	(1,646,000)	(1,710,000)	(1,778,900)	(1,849,100)	(1,906,900)
	882301 - Systems Operations Control	(1,293,986)	(853,100)	(151,576)	(895,700)	(940,500)	(987,600)	(1,037,000)	(1,088,800)
	892222 - Wastewater Process Control	(228,402)	(161,100)	(30,730)	(169,200)	(177,700)	(186,600)	(196,000)	(205,800)
	892270 - Combined Sewer Overflow	-	-	-	-	-	-	-	-
	892279 - Belle Isle Combined Sewer Overflow	(118,025)	(75,500)	(12,876)	(81,300)	(82,300)	(84,300)	(85,600)	(70,500)
	892342 - Belle Isle Pumping Station	(15,115)	(77,000)	(7,726)	(77,700)	(79,200)	(81,000)	(82,600)	(84,400)
	892343 - Blue Hill Pumping Station	(6,478)	(269,000)	(37,818)	(291,100)	(296,800)	(302,900)	(308,900)	(315,300)
	892347 - Fischer Pumping Station	(125,025)	(23,000)	(6,866)	(42,400)	(43,200)	(44,200)	(45,000)	(46,000)
	892352 - Woodmere Pumping Station	(34,699)	(108,700)	(13,648)	(88,600)	(90,300)	(92,300)	(94,000)	(96,100)
GLWA Subscriber		**$ 92,905**	**$ 2,759,100**	**$ 459,850**	**$ 2,814,300**	**$ 2,870,500**	**$ 2,927,900**	**$ 2,986,500**	**$ 2,989,700**
DoIT-002 Radios	883331 - Information Technology Infrastructure	165,600	168,900	28,150	172,300	175,700	179,200	182,800	186,000
OPS-006 Shared Facilities	882421 - Facility Operations	(72,695)	2,590,200	431,700	2,642,000	2,694,800	2,748,700	2,803,700	2,803,700
(Net GLWA Provider) GLWA Subscriber		**$ (2,489,750)**	**$ 495,300**	**$ 95,082**	**$ 439,500**	**$ 400,800**	**$ 356,600**	**$ 310,900**	**$ 220,400**

Water Residential Assistance Plan

The Water Residential Assistance Program ("WRAP") is the first assistance funding program of its kind in Michigan and one of only a few models of sustainable assistance funding plans in the country. The WRAP funding was established in GLWA's founding documents and is equal to 0.5% (or one-half of one percent) of base operating revenues.

Biennial Budget Request

The annual revenue requirement for WRAP funding is shown as a line item in Section 2 - Core Financial Plan Schedules 1 through 3 – Revenue Requirement. The biennial budget for GLWA reflects an overall increase in FY 2027 of $286,200, or 6.2%, as compared to the FY 2026 Adopted Budget. The reason for the increase is due to the increased charges revenue base for applying the 0.5% calculation.

WRAP Requirement - Biennial Budget by Fund

System	FY 2025 Actual	FY 2026 Amended Budget	FY 2026 Activity as of 09.30.2025	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Water - WRAP	$ 1,876,500	$ 1,970,000	$ 492,501	**$ 2,099,900**	**$ 129,900**	**6.6%**	$ 2,251,700
Sewer - WRAP	2,541,501	2,638,500	659,625	**2,794,800**	**156,300**	**5.9%**	2,937,800
Grand Total	**$ 4,418,001**	**$ 4,608,500**	**$ 1,152,126**	**$ 4,894,700**	**$ 286,200**	**6.2%**	**$ 5,189,500**

WRAP Requirement - Five-Year Financial Plan by Fund

System	Actual FY 2025	Amended Budget FY 2025	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
Water - WRAP	$ 1,876,500	$ 1,970,000	**$ 2,099,900**	$ 2,251,700	$ 2,385,100	$ 2,522,200	$ 2,678,400
Sewer - WRAP	2,541,501	2,638,500	**2,794,800**	2,937,800	3,082,200	3,227,100	3,374,200
Grand Total	**$ 4,418,001**	**$ 4,608,500**	**$ 4,894,700**	**$ 5,189,500**	**$ 5,467,300**	**$ 5,749,300**	**$ 6,052,600**

Assistance Program Design

WRAP provides funding for two similar, but distinct programs: the GLWA Regional Income Based Plan (IBP) and the Local DWSD Lifeline H2O Program.

Income Based Plan - WRAP funding is available to all qualified households who receive water and/or sewer service via GLWA Member Partner communities. To participate in WRAP, an applicant must have a household income at or below 200% of the federal poverty income thresholds. Eligible residential customers can receive assistance with paying down arrears and/or receive bill payment assistance for up to two years. Households with an eligible senior or a person with a permanent disability can be enrolled in "WRAPfinity", which means they can obtain bill credit assistance without an expiration date. Bill credit amounts are unique to each household and are determined based on annual household income compared to the water and sewer bills. The goal is to limit the household expense for the water and sewer bill to 3% of household income after bill credits are applied.

Participants can also receive an in-home water audit and educational information on water use. Additionally, WRAP provides replacement of lead-based fixtures in the kitchen, bathroom, and utility room, as well as repair or replacement of leaking or nonfunctioning plumbing and other water fixtures up to $2,000 to create a healthy, safe, and livable home.

Lifeline H2O Program - In fiscal year 2026, DWSD launched the Lifeline H2O Program for residential customers within the city of Detroit. Households earning up to 200% of the federal poverty level with or without an arrearage are eligible to apply. Detroit residents who are approved are charged a fixed monthly amount for water, sewer, and drainage bills. Households with high water usage or that have an indication of a leak, an in-home water audit is done, followed by minor plumbing repairs as needed. WRAP is one of many funding sources for the Lifeline H2O Program. The provisions of the plan are in a Lifeline H2O Plan Administration Policy which is adopted by the DWSD Board and amended.

WRAP Funding Authorization

Authorization for WRAP funding was established within the framework for the creation of the GLWA. On September 9, 2014, a Memorandum of Understanding (MOU) "Regarding the Formation of the Great Lakes Water Authority" was executed by the city of Detroit, the state of Michigan, and the counties of Oakland, Macomb, and Wayne. On September 9, 2014, that MOU was entered into federal court in conjunction with the city of Detroit's Chapter 9 bankruptcy which encompassed matters related to the city's water and sewer department. The MOU included a provision that:

> *"The Authority's common-to-all rate structure shall include … an amount equal to 0.5% of base budgeted operating revenues … for deposit to an independently-administered Water Residential Assistance Program..."*

Ultimately, the City's final Plan of Adjustment approved the MOU and any final agreements resulting from that MOU. This included the Lease agreements and Water and Sewer Services Agreement between the city of Detroit and the Great Lakes Water Authority. The Master Bond Ordinance (MBO) established for the GLWA provides for the funding for WRAP on a one-twelfth basis each month within the MBO Trust. On July 1, 2020, the first amendment to the Water and Sewer Services Agreement became effective which allows DWSD to fund WRAP at an amount not less than 0.5% but not greater than 1.0% (rather than the prior limit of 0.5%).

WRAP is the last revenue requirement calculated in the determination of the budgeted revenue requirements. Once all the other revenue requirements are determined and the other operating revenue is estimated, the *Base Operating Revenue* can be determined. The 0.5% factor is applied to the *Base Operating Revenue* in order to determine the WRAP Requirement.

Table 1 starts with the total revenue from charges and illustrates what the base budgeted operating revenue was that was used to determine the WRAP requirement. The base budgeted operating revenues are the operating revenues before (e.g. net of) the WRAP contribution. Note that investment earnings are nonoperating revenues and are not included in the WRAP calculation.

Table 1 – WRAP Requirement

FY 2027	Water	Sewer	Total
Total Revenue from Charges	$ 421,592,100	$ 561,325,800	$ 982,917,900
Other Operating Revenue	495,400	437,500	932,900
WRAP Contribution	(2,099,900)	(2,794,800)	(4,894,700)
Base Budgeted Operating Revenues (net of WRAP contribution)	$ 419,987,600	$ 558,968,500	$ 978,956,100
Regional WRAP Contribution at 0.5%	**$ 2,099,900**	**$ 2,794,800**	**$ 4,894,700**

WRAP Service Delivery Partners

Disbursements from the WRAP Fund within the MBO Trust are paid to Service Delivery Partners (SDPs) who independently administer the program. There are six different service delivery areas supported by five different services delivery partners.

- Area 1 – City of Detroit – During FY 2026, the Detroit Water & Sewerage Department entered into a contract with Promise Network. Promise Network coordinates the enrollment of eligible participants in the DWSD Lifeline H20 program in accordance with the program design and as outlined in Consultant's respective contract with DWSD. The DWSD and Promise Network relationship provides an example of a public entity working with a private company that utilizes technology for large scale client outreach for payment assistance services.
- Area 2 – City of Flint – WRAP is administered by the Genesee County Community Action Resource Department, a county government community action agency that provides services.
- Area 3 - Wayne County (outside of Detroit), and Monroe County – Program services are provided by Wayne Metropolitan Community Action Agency, a nonprofit community action agency.
- Area 4 - Oakland County – United Way for Southeastern Michigan, a nonprofit organization, provides services.
- Area 5 - Macomb, St. Clair, & Lapeer Counties - Macomb Community Action, a county government community action agency, provides services.
- Area 6 – Washtenaw County – United Way for Southeastern Michigan, a nonprofit organization, provides services.

Each SDP is an expert in delivering human services in the regions they serve. Those that are nonprofit organizations and county governments also provide the client with access to other programs to wholistically meet a household's needs beyond water assistance. The relationship between the selected SDPs and GLWA is formalized by a professional services contract.

The allocation of WRAP funding for each service area is required to be approved by the Board of Directors due to its direct relationship to charges. The SDP contract compensation is updated annually and is based on an "not to exceed the annual funding allocation approved by the Board of Directors". The percentage of funds allocated to program administration by the service delivery partners is based on contractual agreements and can vary from 12% to 18%. After the administration costs are deducted from the budget, the remaining funds are allocated at 80% to direct assistance and 20% to conservation and healthy home initiatives.

Any amounts approved by the DWSD Board of Directors for the DWSD contribution to WRAP, based on local system revenues, will also be added to the exhibit in the service delivery partners contract under Area 1 - City of Detroit. DWSD Board approval is generally scheduled after the GLWA Board approval. Within the City of Detroit, the allocated WRAP funding supports DWSD's Lifeline H2O Program allocations as defined by the program design.

WRAP Funding Allocation

Table 2 summarizes the regional WRAP allocation for FY 2027 by service area.

Table 2 – FY 2027 Water Residential Assistance Program Regional Funding by Service Area

	Income Based Plan				
Service Area	**Direct Assistance**	**Conservation**	**Administration**	**Lifeline**	**Total WRAP Allocation**
Area 1 - City of Detroit				**$ 1,338,800**	**$ 1,338,800**
Area 2 - Genesee County - City of Flint	**$ 23,200**	**$ 5,800**	**$ 5,100**		**34,100**
Area 3 - Wayne (Not Including Detroit), Monroe Counties	**914,480**	**228,620**	**201,800**		**1,344,900**
Monroe	109,920	27,480	24,300		161,700
Wayne	804,560	201,140	177,500		1,183,200
Area 4 - Oakland County	**786,960**	**196,740**	**173,600**		**1,157,300**
Area 5 - Macomb, St. Clair, Lapeer Counties	**624,320**	**156,080**	**171,400**		**951,800**
Lapeer	24,000	6,000	6,600		36,600
Macomb	589,600	147,400	161,900		898,900
St. Clair	10,720	2,680	2,900		16,300
Area 6 - Washtenaw County	**46,080**	**11,520**	**10,200**		**67,800**
Grand Total	**$ 2,395,040**	**$ 598,760**	**$ 562,100**	**$ 1,338,800**	**$ 4,894,700**

Table 3 summarizes the calculation that is used to determine the allocation of the FY 2027 WRAP funding by service area. The "Revenue Requirement" is the estimated annual charge to each Member Partner community. The relative weight of the pro-rata water and sewer charges form the basis for the allocation of WRAP funding among the service delivery areas.

Table 3 – FY 2027 Water Residential Assistance Program Funding Regional Allocation Calculation

	Revenue Requirement		WRAP Allocation		
Service Area	**Water**	**Sewer**	**Water**	**Sewer**	**Total Regional**
Area 1 - City of Detroit	**$ 33,603,600**	**$ 229,070,400**	**$ 167,400**	**$ 1,171,400**	**$ 1,338,800**
Area 2 - Genesee County - City of Flint	**6,837,100**	**-**	**34,100**	**-**	**34,100**
Area 3 - Wayne (Not Including Detroit), Monroe Counties	**159,557,000**	**107,496,000**	**795,000**	**549,900**	**1,344,900**
Monroe	32,457,500	-	161,700	-	161,700
Wayne	127,099,500	107,496,000	633,300	549,900	1,183,200
Area 4 - Oakland County	**98,851,500**	**130,019,280**	**492,300**	**665,000**	**1,157,300**
Area 5 - Macomb, St. Clair, Lapeer Counties	**109,138,200**	**79,867,920**	**543,300**	**408,500**	**951,800**
Lapeer	7,376,400	-	36,600	-	36,600
Macomb	98,479,400	79,867,920	490,400	408,500	898,900
St. Clair	3,282,400	-	16,300	-	16,300
Area 6 - Washtenaw County	**13,604,700**	**-**	**67,800**	**-**	**67,800**
Grand Total	**$ 421,592,100**	**$ 546,453,600**	**$ 2,099,900**	**$ 2,794,800**	**$ 4,894,700**

On July 1, 2020, the first amendment to the Water and Sewer Services Agreement became effective. This amendment allows DWSD to contribute additional funding to WRAP for City of Detroit local retail customers at an amount not less than 0.5% but not greater than 1.0%.

Table 4 includes the Local FY 2027 funding as presented to DWSD Board of Water Commissioners at its February 4, 2026 meeting. The final amount for FY 2027 is dependent on DWSD's charge setting process.

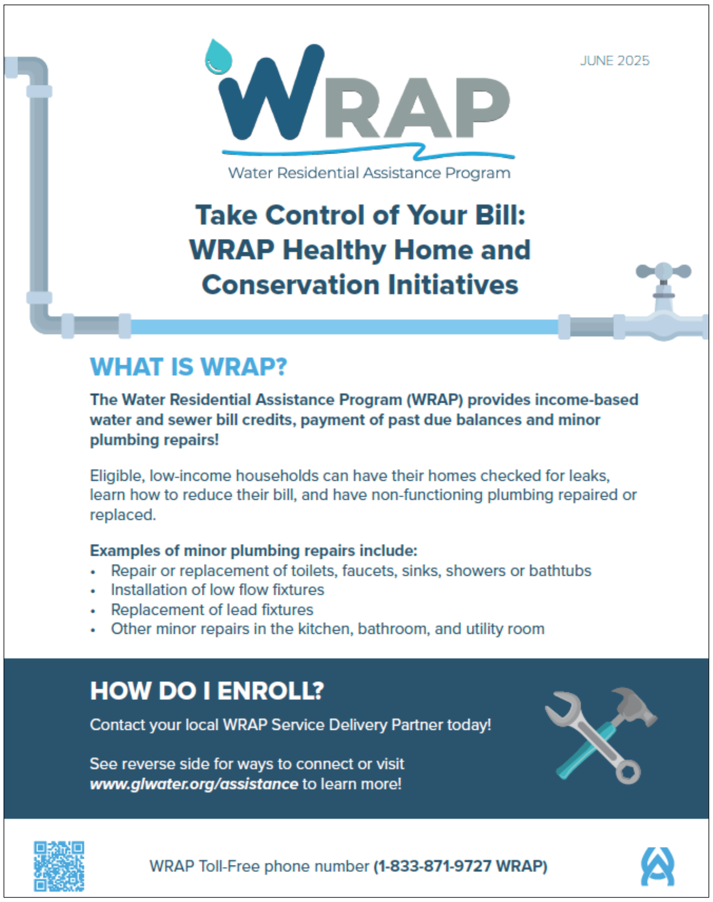
Table 4 – FY 2027 Water Residential Assistance Program Regional & Local Funding by Service Area

	Income Based Plan				
Service Area	**Direct Assistance**	**Conservation**	**Administration**	**Lifeline ***	**Total WRAP Allocation**
Local					
Area 1 - City of Detroit				$ 2,460,700	$ 2,460,700
Regional					
Area 1 - City of Detroit				1,339,000	1,339,000
Area 2 - Genesee County - City of Flint	$ 23,200	$ 5,800	$ 5,100		34,100
Area 3 - Wayne (Not Including Detroit), Monroe Counties	914,480	228,620	201,800		1,344,900
Area 4 - Oakland County	786,960	196,740	173,600		1,157,300
Area 5 - Macomb, St. Clair, Lapeer Counties	624,320	156,080	171,400		951,800
Area 6 - Washtenaw County	46,080	11,520	10,200		67,800
Grand Total	**$ 2,395,040**	**$ 598,760**	**$ 562,100**	**$ 3,799,700**	**$ 7,355,600**

**Lifeline local funding as presented to the DWSD Board of Water Commissioners on February 4, 2026*

WRAP Outreach

GLWA has a dedicated webpage that provides information about WRAP in four different languages. In addition, GLWA works closely with its service delivery partners and member partners to provide a range of local materials that are in print, online, and in video. Following is one of the flyers that can be found on the website.



JUNE 2025

WRAP

Water Residential Assistance Program

Take Control of Your Bill: WRAP Healthy Home and Conservation Initiatives

WHAT IS WRAP?

The Water Residential Assistance Program (WRAP) provides income-based water and sewer bill credits, payment of past due balances and minor plumbing repairs!

Eligible, low-income households can have their homes checked for leaks, learn how to reduce their bill, and have non-functioning plumbing repaired or replaced.

Examples of minor plumbing repairs include:

- Repair or replacement of toilets, faucets, sinks, showers or bathtubs
- Installation of low flow fixtures
- Replacement of lead fixtures
- Other minor repairs in the kitchen, bathroom, and utility room

HOW DO I ENROLL?

Contact your local WRAP Service Delivery Partner today!

See reverse side for ways to connect or visit ***www.glwater.org/assistance*** to learn more!

WRAP Toll-Free phone number **(1-833-871-9727 WRAP)**

WHO IS ELIGIBLE?

Households are eligible for WRAP if they meet the following criteria:

- Demonstrate household income at or below 200 percent of the federal poverty level
- Reside within the GLWA service area
- Establish they are responsible for the water or sewer bill
- Reside in the home they own or rent

Served by Genesee County Community Action Resource Department:

- City of Flint

Call (810) 232-2185

Served by Macomb Community Action:

- Lapeer County
- Macomb County
- St. Clair County

Call (586) 469-6464

Served by United Way for Southeastern Michigan:

- Oakland County
- Washtenaw County

Call (248) 983-5656

Served by Wayne Metro Community Action Agency:

- Monroe County
- Wayne County

Call (313) 386-9727

Learn more at **glwater.org/assistance**
WRAP Toll-Free phone number **(1-833-871-9727 WRAP)**

Legacy Commitments

In municipal finance, the term "legacy obligations" represents unfunded liabilities accrued over prior decades. In the context of GLWA, legacy obligations represent an allocable portion of the DWSD's closed defined benefit pension and restructured retiree healthcare liability obligation. The terms of that obligation were established in the City of Detroit's Chapter 9 bankruptcy plan of adjustment (POA) approved on December 10, 2014. With the standup of the GLWA on January 1, 2016, those legacy obligations were bifurcated between GLWA and DWSD. That allocation was based upon a review of wholesale and retail data in cost of service studies at intervals throughout the prior three decades.

Background

The City of Detroit's Chapter 9 bankruptcy POA, approved on December 10, 2014, materially restructured the City's pension and retiree healthcare plan (otherwise referenced as other post-employment benefits or OPEB). Under the POA, the City of Detroit General Retirement System (GRS) defined benefit plan was frozen as of July 1, 2014, and closed to new participants; however, the City retained the responsibility to fund amounts necessary to provide adjusted (reduced) pension benefits to employees and retirees who accrued benefits under the GRS Plan. Claims relating to the City's pension obligation certificates and post-retirement health benefits were funded by the City's Financial Recovery Bonds, Series 2014-B(1), Series 2014-B(2) and Series 2014-C. DWSD was assigned an allocable share of those bonds.

Budget Implications through FY 2023 - The plan of adjustment required the following of DWSD as it related to the GRS Component II frozen, closed pension plan.

1. Annual payments by the DWSD to fully fund its portion of the closed defined benefit pension liability due to the GRS over nine years beginning in fiscal year 2015. Under the POA, an assumed investment rate of 6.75% and then-available mortality tables were utilized in calculating the potential size of the Systems' remaining liability.
2. The water and sewer systems (the Systems') were required to contribute $42.9 million annually to the GRS, plus $2.5 million per year in administrative expenses, for a total of $45.4 million for the nine fiscal years beginning on July 1, 2014 and ending on June 30, 2023. The required funding under the POA represents a substantial reduction in the Systems' overall funding obligation from the pre-bankruptcy liability. It is important to note that the annual payment represented both a normal expense plus an advance payment of a liability that would otherwise be amortized over a period of up to 30 years. For that reason, a portion of the payment was treated as an operations & maintenance expense (through fiscal year 2023) as a proxy for normal cost under the MBO flow of funds including the administrative fee. The remaining non-operating portion was treated as a long-term debt payment subordinate to bonded debt in the MBO flow of funds.
3. The Systems remain responsible for the remaining allocable share of the unfunded accrued actuarial liability (UAAL) of the GRS after the initial nine-year period. The amount of the

unknown tail pension liability payable to GRS in year ten (FY 2024) was represented as minimal at the time of the POA.

Budget Implications starting with FY 2024 - Starting in fiscal year 2024, none of the payments are considered operating for MBO purposes, therefore Table 1 only shows nonoperating payments. This is referred to as the "General Retirement System Pension" in the core financial plan schedules in Section 2. For financial reporting purposes, the administrative fee and the expenses and amortization related to the pension payments are reported in the nonoperating section of the statement of revenue, expenses, and changes in net position.

The POA required the following of DWSD as it related to the Financial Recovery Bonds (BC Notes) for pension obligation certificates and post-retirement health benefits.

1. The DWSD is responsible for an allocable share of the portion of the City of Detroit 30-year B Notes relating to settlement of OPEB claims and 10-year C Notes related to the Systems' prior allocable share of the City's pension obligation certificates.
2. Payments are based on the allocable share of the B and C notes payment schedules. The payments for the next 5 years are included in Table 1 below. The B note payments end in fiscal year 2044. The C note payments end in fiscal year 2027.

Basis for Allocation of Costs

With the stand-up of the Authority on January 1, 2016, the legacy obligations for the GRS Pension and BC Notes obligation were allocated between the local and regional systems. Cost of service studies at intervals throughout the prior three decades were reviewed to establish the allocation between the water and sewer systems as well as wholesale and retail customer cost pools. Based upon the review of that information, the Chief Executive Officer for the GLWA and Director for DWSD authorized the GRS to begin accounting for pension cost pool activity with the GLWA allocated 70.3% of the pension activity and the DWSD allocated 29.7% of the pension activity. This was formalized in a letter dated January 24, 2017. The BC Notes are allocated 71.42% to GLWA and 28.58% to DWSD. The costs were further allocated between the water and sewer funds as shown below:

	Water	Sewer	Total
Pension Obligation			
GLWA Regional System	25.20%	45.10%	70.30%
DWSD Local System	17.80%	11.90%	29.70%
Total	43.00%	57.00%	100.00%
BC Notes			
GLWA Regional System	21.98%	49.44%	71.42%
DWSD Local System	15.52%	13.06%	28.58%
Total	37.50%	62.50%	100.00%

Leading up to the operational effective date, one of the required tasks was development of an agreement among the GRS, the City of Detroit and the GLWA regarding the GRS Defined Benefit Plan (the "pension agreement"). This agreement, dated December 1, 2015, establishes certain disclosures, calculations, and other recordkeeping by the GRS, its auditors, and its actuaries.

The pension agreement also requires the GRS to provide the GLWA with a determination of the UAAL for the Authority Pension Pool using the market value of assets for the Authority Pension Pool and whether the Authority Pension Pool is funded at 100%. If the Authority Pension Pool is less than 100% funded, then the Authority is required to make such level annual contributions to the GRS as necessary to amortize such shortfall over five years (as provided in the leases or such greater period not to exceed ten years as agreed upon by GRS and the Authority) at an interest rate equal to the then current GRS investment return assumption.

The pension agreement further establishes a requirement for reporting the annual funded administrative expenses (which was set at $2.5 million annually for the first nine years) compared to actual in the annual GRS audit report. The amount paid in excess of administrative expenses as of June 30, 2024 was approximately $12.96 million, which is allocated $9.11 million to the Authority and $3.85 million to DWSD, and is recorded as a prepaid expense by each entity. The prepaid administrative expenses will be applied toward the DWSD division liability thereby reducing the projected UAAL as of June 30, 2025.

Future Planning

The GRS Legacy Plan fiduciary net position as a percent of the total pension liability was 62.43% as reported in the June 30, 2024, GRS GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for the Pension Plans of Component II. Fiscal year 2024 was the first year the Authority is required to make Actuarially Determined Employer Contribution (ADEC) in accordance with the pension agreement.

The Authority received the actuarial valuation as of June 30, 2024, dated February 6, 2025, projecting the UAAL to be underfunded. For FY 2026 the UAAL contribution will be $3.8 million with an administrative fee of $0.6 million for a total of $4.4 million.

GLWA management continues to have ongoing conversations with the City of Detroit, the DWSD and the GRS personnel regarding the UAAL with the goal of establishing a long-term plan that will limit the budget impact of future fluctuations.

Legacy Obligation Allocation – The following table summarizes the legacy obligations and the allocation between GLWA and DWSD. The blue and green highlighted amounts are included in the budget revenue requirements in Section 2 – Core Financial Plan Schedules. Starting in FY 2024, the legacy pension payment is considered only a nonoperating expense for MBO purposes. In prior years a portion was considered an operating expense in the MBO flow of funds for priority of funding.

Description	*Allocation Percentage*	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Administrative Fee (a)						
GLWA-Water	*25.20%*	$ 154,700	$ 154,700	$ 154,700	$ 154,700	$ 154,700
GLWA-Sewer	*45.10%*	276,700	276,700	276,700	276,700	276,700
DWSD-R-Water	*17.80%*	109,200	109,200	109,200	109,200	109,200
DWSD-R-Sewer	*11.90%*	73,000	73,000	73,000	73,000	73,000
Total Administrative Fee		**613,600**	**613,600**	**613,600**	**613,600**	**613,600**
Legacy Pension Obligation - Component II (Nonoperating) (b)						
GLWA-Water	*25.20%*	953,900	953,900	953,900	953,900	953,900
GLWA-Sewer	*45.10%*	1,707,300	1,707,300	1,707,300	1,707,300	1,707,300
DWSD-R-Water	*17.80%*	673,800	673,800	673,800	673,800	673,800
DWSD-R-Sewer	*11.90%*	450,500	450,500	450,500	450,500	450,500
Total Legacy Pension Obligation		**3,785,500**	**3,785,500**	**3,785,500**	**3,785,500**	**3,785,500**
BC Notes (Nonoperating) (c)						
GLWA-Water	*21.98%*	1,450,400	1,306,700	1,275,600	1,244,500	1,213,400
GLWA-Sewer	*49.44%*	3,262,300	2,939,200	2,869,200	2,799,200	2,729,300
DWSD-R-Water	*15.52%*	1,024,100	922,700	900,700	878,700	856,800
DWSD-R-Sewer	*13.06%*	861,800	776,400	757,900	739,400	721,000
Total BC Notes		**6,598,600**	**5,945,000**	**5,803,400**	**5,661,800**	**5,520,500**
Total General Retirement System Accelerated Pension (Administrative (a) + Legacy Pension (b) + BC Notes (c))						
GLWA-Water		2,559,000	2,415,300	2,384,200	2,353,100	2,322,000
GLWA-Sewer		5,246,300	4,923,200	4,853,200	4,783,200	4,713,300
DWSD-R-Water		1,807,100	1,705,700	1,683,700	1,661,700	1,639,800
DWSD-R-Sewer		1,385,300	1,299,900	1,281,400	1,262,900	1,244,500
Total General Retirement System Accelerated Pension		**$ 10,997,700**	**$ 10,344,100**	**$ 10,202,500**	**$ 10,060,900**	**$ 9,919,600**

Capital Outlay

The tables in this section present an entity-wide view of GLWA's capital outlay. Some capital outlay costs are shared between the water and wastewater systems. Examples of this include centralized services capital outlay such as facilities, fleet, and information technology.

Tables 1 and 2 – *Capital Outlay by System* depicts the capital outlay by water & wastewater systems. Each system budgets for specific types of expenditures as shown in Table 5 - *Total Capital Outlay by Funding Source and Asset Category* which support both systems.

Table 1 – *Capital Outlay by System (funded by both O&M and I&E) – Biennial Budget*

	FY 2025	FY 2026		FY 2027			FY 2028
Operating System	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Water System	**$ 9,863,381**	**$ 14,913,300**	**$ 1,975,505**	**$ 28,803,500**	**$ 13,890,200**	**93.1%**	**$ 24,915,900**
Operations & Maintenance	1,092,537	3,221,900	421,921	3,827,200	605,300	18.8%	3,903,700
Improvement & Extension	**8,770,844**	**11,691,400**	**1,553,584**	**24,976,300**	**13,284,900**	**113.6%**	**21,012,200**
Equipment	8,770,844	11,691,400	1,553,584	17,476,300	5,784,900	49.5%	13,512,200
Infrastructure	-	-	-	7,500,000	7,500,000	100.0%	7,500,000
Wastewater System	**9,083,132**	**11,779,500**	**1,213,543**	**15,431,100**	**3,651,600**	31.0%	**15,322,600**
Operations & Maintenance	44,827	-	10,000	-	-	0.0%	-
Improvement & Extension	9,038,305	11,779,500	1,203,543	15,431,100	3,651,600	31.0%	15,322,600
Grand Total	**$ 18,946,513**	**$ 26,692,800**	**$ 3,189,049**	**$ 44,234,600**	**$ 17,541,800**	**65.7%**	**$ 40,238,500**

Table 2 – *Capital Outlay by System (funded by both O&M and I&E) – Five-Year Financial Plan*

	Actual	Amended Budget	Proposed Budget		Projected		
Operating System	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Water System	**$ 9,863,381**	**$ 14,913,300**	**$ 28,803,500**	**$ 24,915,900**	**$ 22,688,600**	**$ 20,602,200**	**$ 20,323,000**
Operations & Maintenance	1,092,537	3,221,900	3,827,200	3,903,700	3,981,700	4,061,300	4,142,600
Improvement & Extension	**8,770,844**	**11,691,400**	**24,976,300**	**21,012,200**	**18,706,900**	**16,540,900**	**16,180,400**
Equipment	8,770,844	11,691,400	17,476,300	13,512,200	11,206,900	9,040,900	8,680,400
Infrastructure	-	-	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Wastewater System	**9,083,132**	**11,779,500**	**15,431,100**	**15,322,600**	**13,268,000**	**13,372,300**	**12,941,300**
Operations & Maintenance	44,827	-	-	-	-	-	-
Improvement & Extension	9,038,305	11,779,500	15,431,100	15,322,600	13,268,000	13,372,300	12,941,300
Grand Total	**$ 18,946,513**	**$ 26,692,800**	**$ 44,234,600**	**$ 40,238,500**	**$ 35,956,600**	**$ 33,974,500**	**$ 33,264,300**

Since assets are replaced on a periodic basis, annual expenditures may not be level throughout the year and from year to year. In addition, some capital outlay projects span several years that are beyond the five-year planning documents. Examples of these non-recurring and long-term projects include the following:

- Instrumentation & control hardware and software for the water and wastewater systems. These projects are scheduled by facility and recur on a five to seven-year cycle as technologies and control capabilities advance. A planned replacement for a number of facilities including the Water Resource Recovery Facility has been forecast within the five-year plan.

- As part of GLWA's commitment to maintaining sustainable water and wastewater systems, programs are in place for the replacement and renewal of various processing equipment. These include pumps, valves, motors, pipes and other processing or treatment equipment.
- As part of GLWA 's commitment to maintaining a high level of service and safety to its team members, GLWA is actively replacing an aged fleet of service vehicles. These vehicles include heavy and light trucks, utility vehicles and vans.
- The design, rehabilitation, and replacement of flow meters for the system is an ongoing effort to accurately measure activity for both water and sewer systems.

Funding Sources

The Capital Outlay expenditures are proposed to be $36.7 million for FY 2027, and $32.7 million for FY 2028. As shown in Tables 3 and 4 – *Capital Outlay by Funding Source*, Capital Outlay is funded by two sources: Operations & Maintenance (O&M) and Improvement & Extension (I&E) funds.

- **Operations & Maintenance Fund (O&M):** Capital outlay items funded by O&M funds are paid with current year revenues. The nature of these items is recurring so the impact on charges from year-to-year is relatively consistent. The total capital outlay paid with O&M funds is included under the 4.2 Supplies & Other expense category.
- **Improvement & Extension Fund (I&E):** The source of the I&E Funds are revenues from charges that have been transferred to the I&E fund. Funds are budgeted annually to be added to the I&E fund to reduce future debt financing and are used for capital outlay and capital improvements. The nature of these items is not necessarily recurring each year. They are, instead, replaced on a longer-term cycle or unique to a three to five-year planning horizon. The total capital outlay paid with I&E funds is included in Section 2 - Core Financial Plan Schedules 4A and 4B.

Table 3 – *Capital Outlay by Funding Source – Biennial Budget*

	FY 2025	FY 2026		FY 2027			FY 2028
Fuding Source	Actual	Amended Budget	Activity as of 09.30.2025	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Operations & Maintenance	$ 1,137,364	$ 3,221,900	$ 431,921	$ 3,827,200	$ 605,300	18.8%	$ 3,903,700
Improvement & Extension	17,809,149	23,470,900	2,757,128	40,407,400	16,936,500	72.2%	36,334,800
Grand Total	**$ 18,946,513**	**$ 26,692,800**	**$ 3,189,049**	**$ 44,234,600**	**$ 17,541,800**	**65.7%**	**$ 40,238,500**

Table 4 – *Capital Outlay by Funding Source - Five-Year Financial Plan*

	Actual	Amended Budget	Proposed Budget		Projected		
Fuding Source	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Operations & Maintenance	$ 1,137,364	$ 3,221,900	$ **3,827,200**	$ 3,903,700	$ 3,981,700	$ 4,061,300	$ 4,142,600
Improvement & Extension	17,809,149	23,670,900	**40,407,400**	36,334,800	31,974,900	29,913,200	29,121,700
Grand Total	**$ 18,946,513**	**$ 26,892,800**	**$ 44,234,600**	**$ 40,238,500**	**$ 35,956,600**	**$ 33,974,500**	**$ 33,264,300**

Biennial Budget Request
The biennial budget reflects a change in FY 2027, increasing by $17.5 million, or 65.7% as noted above. There are key factors that impact this change outside of the projects previously noted. These include the following:

- Capital Outlay for the O&M fund increased $0.6 million or 18.8%.
  - Information Technology increased by $0.6 million. Increased investment in hardware used by operations team members, replacing a paper-based system to better plan and record maintenance activities. Additionally, continuing projects for the migration and modernization of the network infrastructure which will improve security and resiliency.
- Capital Outlay in the I&E fund increased $16.9 million or 72.2%.
  - Infrastructure water transmission mains renewal was increased $7.5 million. As part of GLWA's Liner Linear System Integrity Program (LSIP) the development of comprehensive renewal or decommissioning strategy the systems aging water mains.
  - Controls & Communication increased $4.0 million. The majority of this increase is due to budget for instrumentation and operational control system upgrades in both water and wastewater operations.
  - Buildings/Structures increased $2.3 million. This is primarily due to the planned replacement of elevators that are at the end of their useful lives ($1.5 million) and the replacement of heating & cooling equipment in the processing area ($0.5 million)
  - Process Equipment/Treatment, Pipes, Gates & Valves and Pumps & Motors increased $2.2 million, primarily due to the forecast replacement of ozone generating equipment for water treatment ($0.6 million), a program for the rebuilding of several rectangular sedimentation clarifier tanks in Primary Processing ($0.5 million), and the replacement of two centrifuges ($0.7 million), as well as replacements for equipment at the end of their useful lives.
  - Overall, vehicles replacement fell slightly (-$.2 million). However, utility vehicles are scheduled for replacement, an increase of $0.4 million. The proposed budget for these vehicles is approximately $3.1 million annually for the next five years.
  - Flow meter replacement increased $0.4 million as the program for maintenance and replacements stabilizes. The proposed budget for the replacement of these meters is forecast to increase to approximately $1.0 million annually.

Table 5- Capital Outlay by Funding Source and Asset Category– Biennial Budget

	FY 2026	FY 2027			FY 2028
Asset Category	Amended Budget	Proposed Budget	Dollar Variance	Percent Variance	Proposed Budget
Operation & Maintenance					
Information Technology	**$ 3,221,900**	**$ 3,827,200**	**$ 605,300**	**18.8%**	**$ 3,903,700**
Hardware	2,772,900	3,328,400	555,500	20.0%	3,395,000
Software	449,000	498,800	49,800	11.1%	508,700

(*continued on next page*)

Table 5- Capital Outlay by Funding Source and Asset Category– Biennial Budget (continued from previous page)

Asset Category	FY 2026 Amended Budget	FY 2027 Proposed Budget	FY 2027 Dollar Variance	FY 2027 Percent Variance	FY 2028 Proposed Budget
Improvement & Extension	**$ 23,470,900**	**$ 40,407,400**	**$ 16,936,500**	**72.2%**	**$ 36,334,800**
Buildings/Structures	**1,252,100**	**3,504,100**	**2,252,000**	**179.9%**	**1,137,100**
Information Technology	**75,000**	**75,000**	**-**	**0.0%**	**75,000**
Software	75,000	75,000	-	0.0%	75,000
Leasehold Improvements	**165,400**	**-**	**(165,400)**	**-100.0%**	**-**
Machinery & Equipment	**18,560,400**	**25,425,300**	**6,864,900**	**37.0%**	**24,514,700**
Compters & IT	-	205,000	205,000	100.0%	116,000
Controls and Communication	8,573,400	12,559,400	3,986,000	46.5%	10,820,600
Flow Measuring & Meter	316,400	760,000	443,600	140.2%	815,800
Furniture & Fixtures	102,000	255,000	153,000	150.0%	205,000
Heavy Equipment & Misc	365,000	550,600	185,600	50.8%	388,600
Laboratory	354,800	477,000	122,200	34.4%	288,000
Leasehold Improvements	250,000	130,000	(120,000)	-48.0%	-
Pipes, Gates and Valves	1,096,700	744,100	(352,600)	-32.2%	1,074,000
Process Equipment/Treatment	3,294,700	6,145,300	2,850,600	86.5%	5,615,100
Pumps & Motors < 25mgd	3,596,400	3,335,400	(261,000)	-7.3%	4,962,600
Tools, Shop & Warehouse	611,000	263,500	(347,500)	-56.9%	229,000
Projects & Programs	**170,000**	**-**	**(170,000)**	**-100.0%**	**-**
Safety & Security	**-**	**120,000**	**120,000**	**100.0%**	**-**
Access and Control	-	120,000	120,000	**100.0%**	-
Site Improvements	**-**	**760,000**	**760,000**	**100.0%**	**40,000**
Vehicles	**3,248,000**	**3,023,000**	**(225,000)**	**-6.9%**	**3,068,000**
Heavy Truck	1,860,000	1,560,000	(300,000)	-16.1%	1,560,000
Light Truck	480,000	240,000	(240,000)	-50.0%	240,000
Trailer & Tow Equipment	40,000	-	(40,000)	-100.0%	40,000
Utility Vehicle	388,000	743,000	355,000	91.5%	748,000
Van	480,000	480,000	-	0.0%	480,000
Infrastructure	**-**	**7,500,000**	**7,500,000**	**100.0%**	**7,500,000**
Transmission Mains	-	7,500,000	7,500,000	100.0%	7,500,000
Grand Total	**$ 26,692,800**	**$ 44,234,600**	**$ 17,541,800**	**65.7%**	**$ 40,238,500**

Five-Year Financial Plan

Table 6 - Capital Outlay by Funding Source and Asset Category

	Amended Budget	Proposed Budget		Projected		
Asset Category	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2030**
Operation & Maintenance						
Information Technology	**$ 3,221,900**	**$ 3,827,200**	**$ 3,903,700**	**$ 3,981,700**	**$ 4,061,300**	**$ 4,142,600**
Hardware	2,772,900	3,328,400	3,395,000	3,462,900	3,532,100	3,602,800
Software	449,000	498,800	508,700	518,800	529,200	539,800
Improvement & Extension	**$ 23,470,900**	**$ 40,407,400**	**$ 36,334,800**	**$ 31,974,900**	**$ 29,913,200**	**$ 29,121,700**
Buildings/Structures	**1,252,100**	**3,504,100**	**1,137,100**	**588,400**	**624,400**	**594,400**
Information Technology	**75,000**	**75,000**	**75,000**	**75,000**	**75,000**	**75,000**
Software	75,000	75,000	75,000	75,000	75,000	75,000
Leasehold Improvements	**165,400**	**-**	**-**	**-**	**-**	**-**
Machinery & Equipment	**18,560,400**	**25,425,300**	**24,514,700**	**20,788,500**	**18,236,800**	**17,929,300**
Compters & IT	-	205,000	116,000	5,000	11,000	172,000
Controls and Communication	8,573,400	12,559,400	10,820,600	11,123,700	8,862,300	8,934,100
Flow Measuring & Meter	316,400	760,000	815,800	863,700	907,000	1,570,700
Furniture & Fixtures	102,000	255,000	205,000	30,000	30,000	30,000
Heavy Equipment & Misc	365,000	550,600	388,600	560,600	143,600	93,600
Laboratory	354,800	477,000	288,000	422,500	406,300	262,800
Leasehold Improvements	250,000	130,000	-	-	-	-
Pipes, Gates and Valves	1,096,700	744,100	1,074,000	966,900	924,600	642,800
Process Equipment/Treatment	3,294,700	6,145,300	5,615,100	3,839,400	3,798,200	2,563,000
Pumps & Motors < 25mgd	3,596,400	3,335,400	4,962,600	2,702,700	2,933,600	3,463,300
Tools, Shop & Warehouse	611,000	263,500	229,000	274,000	220,200	197,000
Projects & Programs	**170,000**	**-**	**-**	**-**	**-**	**-**
Safety & Security	**-**	**120,000**	**-**	**-**	**-**	**-**
Access and Control	-	120,000	-	-	-	-
Site Improvements	**-**	**760,000**	**40,000**	**-**	**40,000**	**-**
Vehicles	**3,248,000**	**3,023,000**	**3,068,000**	**3,023,000**	**3,437,000**	**3,023,000**
Heavy Truck	1,860,000	1,560,000	1,560,000	1,560,000	1,560,000	1,560,000
Light Truck	480,000	240,000	240,000	240,000	240,000	240,000
Trailer & Tow Equipment	40,000	-	40,000	-	-	-
Utility Vehicle	388,000	743,000	748,000	743,000	1,157,000	743,000
Van	480,000	480,000	480,000	480,000	480,000	480,000
Infrastructure	**-**	**7,500,000**	**7,500,000**	**7,500,000**	**7,500,000**	**7,500,000**
Transmission Mains	-	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
Grand Total	**$ 26,692,800**	**$ 44,234,600**	**$ 40,238,500**	**$ 35,956,600**	**$ 33,974,500**	**$ 33,264,300**

Table 7 - *Capital Outlay by Team funded by both I&E and O&M*

Team	Actual	Amended Budget	Proposed Budget		Projected		
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
881101 Public Affairs	-	-	**11,000**	20,000	5,000	11,000	5,000
881201 Security and Integrity	89,627	-	**120,000**	-	-	-	-
882101 Water Director	4,331	-	**-**	-	-	-	-
882121 Water Quality	42,369	51,500	**12,000**	62,000	27,000	28,000	32,000
882131 Water Works Park	969,728	1,043,300	**2,318,000**	1,735,000	777,000	200,300	185,300
882141 Springwells Water Plant	585,418	447,900	**1,724,900**	572,000	402,000	475,000	330,000
882151 Northeast Water Plant	1,032,648	1,516,000	**1,798,900**	1,351,000	881,000	706,000	381,000
882161 Southwest Water Plant	990,383	534,800	**301,500**	643,000	245,500	241,000	129,000
882171 Lake Huron Water Plant	989,888	371,900	**236,900**	249,000	119,000	119,000	331,000
882301 Systems Operations Control	2,234,819	3,200,000	**7,775,000**	6,675,000	6,525,000	5,025,000	5,025,000
882322 Eastside Pumping Station	-	100,000	**100,000**	100,000	100,000	105,000	105,000
882323 Northwest Pumping Station	-	100,000	**100,000**	100,000	100,000	105,000	105,000
882327 Electric Ave Pumping Station	-	-	**10,000**	-	-	-	-
882328 Orion Township Pumping Station	-	-	**400,000**	-	-	-	-
882329 North Service Center Pumping Station	720,410	-	**-**	-	-	-	-
882330 Adams Road Pumping Station	29,008	50,000	**50,000**	50,000	50,000	52,000	52,000
882331 Newburgh Pumping Station	-	50,000	**50,000**	50,000	50,000	52,000	52,000
882336 Schoolcraft Pumping Station	38,711	50,000	**50,000**	50,000	50,000	52,000	52,000
882338 Imlay Pumping Station	32,219	313,000	**696,300**	333,400	343,600	337,800	364,300
882411 Field Engineering	55,263	-	**-**	-	-	-	-
882421 Facility Operations	-	91,800	**93,600**	93,600	93,600	93,600	93,600
882422 Fleet Operations	2,328,067	2,980,000	**3,000,000**	3,000,000	3,000,000	3,000,000	3,000,000
882431 Field Service Operations	745,919	2,516,200	**175,000**	175,000	185,000	185,000	185,000
882501 Energy, Research & Innovation	34,521	50,000	**50,000**	50,000	50,000	50,000	50,000
883201 Organizational Development Administration	24,752	-	**200,000**	-	-	-	-
883301 Office of the CIO	38,424	-	**-**	-	-	-	-
883321 Info Technology Service Delivery	640,500	2,000,000	**1,540,000**	1,570,800	1,602,200	1,634,200	1,666,900
883331 Info Technology Infrastructure	-	772,900	**1,788,400**	1,824,200	1,860,700	1,897,900	1,935,900
883351 Info Technology Enterprise Asset Mgmt Systems	452,037	350,400	**403,800**	411,800	420,000	428,400	437,000
883361 Info Technology Security & Risk	-	98,600	**95,000**	96,900	98,800	100,800	102,800
884111 Financial Reporting & Accounting	4,702	-	**-**	-	-	-	-
884124 Logistics and Materials	22,626	-	**-**	-	-	-	-
886001 Chief Planning Officer	4,886	-	**-**	-	-	-	-
886201 Asset Management	-	-	**7,500,000**	7,500,000	7,500,000	7,500,000	7,500,000
886401 Water Analytics, Planning & Metering	465,041	296,400	**727,000**	780,800	843,700	907,000	970,700
892201 Wastewater Director	868,639	907,000	**1,050,900**	1,164,100	975,400	955,400	895,400
892211 Wastewater Engineering	145,424	-	**13,000**	-	-	-	-
892221 Wastewater Operations	59,690	5,000	**1,082,000**	790,000	200,000	429,000	5,000
892222 Wastewater Process Control	1,538,537	1,616,300	**2,359,000**	3,352,600	4,219,200	4,936,300	5,410,100
892223 Wastewater Primary Process	296,940	2,116,000	**2,834,000**	2,357,000	2,358,500	2,408,500	1,859,000
892224 Wastewater Secondary Process	535,390	425,000	**1,680,000**	435,000	385,000	385,000	385,000
892225 Wastewater Dewatering Process	177,684	218,700	**211,600**	85,000	67,400	65,800	47,800
892226 Wastewater Incineration Process	1,152,175	2,965,000	**1,676,500**	1,400,000	1,164,500	15,800	-
892231 Industrial Waste Control	-	7,000	**26,000**	-	26,500	-	26,500
892235 Wastewater Laboratories	66,156	30,000	**135,000**	40,000	45,000	40,000	45,000

(*continued on next page*)

Table 7 - *Capital Outlay by Team funded by both I&E and O&M (continued from previous page)*

Team	Actual FY 2025	Amended Budget FY 2026	Proposed Budget FY 2027	Proposed Budget FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031
892271 Puritan Fenkell Combined Sewer Overflow	57,600	-	**290,000**	700,000	20,000	44,000	100,000
892272 7 Mile Combined Sewer Overflow	-	14,000	**-**	8,400	60,000	8,600	100,000
892273 Hubble Southfield Combined Sewer Overflow	156,955	189,700	**695,700**	293,600	267,600	319,600	100,000
892274 Leib Combined Sewer Overflow	98,103	67,300	**58,700**	110,300	51,700	53,300	100,000
892275 St Aubin Combined Sewer Overflow	660	18,500	**19,100**	49,700	20,300	80,900	100,000
892276 Conner Creek Combined Sewer Overflow	535,831	397,500	**367,500**	446,600	482,000	516,000	100,000
892277 Baby Creek Combined Sewer Overflow	257,841	451,100	**248,300**	582,700	263,400	310,300	700,000
892278 Oakwood Combined Sewer Overflow	-	-	**85,000**	-	21,000	-	100,000
892345 Conner Pumping Station	382,697	80,000	**75,000**	-	-	-	-
892346 Fairview Pumping Station	39,894	-	**-**	500,000	-	-	-
892349 Freud Pumping Station	-	200,000	**-**	300,000	-	100,000	-
892351 Oakwood Pumping Station	-	-	**-**	130,000	-	-	100,000
Grand Total	**$ 18,946,513**	**$ 26,692,800**	**$ 44,234,600**	**$ 40,238,500**	**$ 35,956,600**	**$ 33,974,500**	**$ 33,264,300**

Financial Services Area
735 Randolph Street
Detroit, Michigan 48226
www.glwater.org

Financial Services
Audit Committee Communication

Date: February 13, 2026

To: Great Lakes Water Authority Audit Committee

From: Nicolette N. Bateson, Chief Financial Officer & Treasurer

Re: Recommendation to the Board of Directors to Approve Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial Budget Subject to Public Comment at the Public Hearing to be Held on February 25, 2026

Background & Analysis: See attached draft Great Lakes Water Authority ("GLWA") Board letter related to proposed Resolution 2026-013 to Adopt the FY 2027 & FY 2028 Biennial Budget Subject to Public Comment at the Public Hearing to be held on February 25, 2026.

Proposed Action: Audit Committee recommends that the Board of Directors adopt Resolution 2026-013 to Approve the FY 2027 & FY 2028 Biennial Budget subject to public comment at the Public Hearing to be held on February 25, 2026.

..Title

Resolution Adopting the FY 2027 & FY 2028 Biennial Budget

..Body

Agenda of: February 25, 2026
Item No.: **2026-013**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: February 25, 2026

RE: **Resolution Adopting the FY 2027 & FY 2028 Biennial Budget**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA):

1) **Concludes the Public Hearing related to the FY 2027 and FY 2028 Biennial Budget held on February 25, 2026;**
2) **Pending public comment, adopts the attached resolution, 2026-013, adopting the FY 2027 and FY 2028 Biennial Budget for the GLWA;**
3) **Notes that the GLWA By-Laws Article X, Section 5, requires a super-majority affirmative vote of at least five (5) members of the Board is necessary for the approval of the operating budget; and**
4) **Authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

The Great Lakes Water Authority ("GLWA" or the "Authority") assumed the operation of the Regional Water and Sewer systems on January 1, 2016 (the "Effective Date") pursuant to the Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015. Section 5.6 of the Lease Agreements require the Authority to adopt a two-year budget for the Regional Water and Sewer Systems that sets forth budgeted revenues and expenses for each such Fiscal Year.

JUSTIFICATION

Establishing the budget and charges each year is an impactful decision which merits public discussion that spans several months and encompasses stakeholder groups. An outline of discussions related to the FY 2027 & FY 2028 Biennial Budget and FY 2027 Charges is outlined below.

Board of Directors Public Engagement

- ✓ October 8, 2025 – Board Workshop – In-Depth Budget & Charges Briefing
- ✓ January 9, 2026 - Audit Committee receives proposed budget and charges presentation
- ✓ January 28, 2026 - Board Meeting – Board receives a proposed budget and charges presentation and refers the matters back to Audit Committee for further review
- ✓ January 30, 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February 13, 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February 25, 2026 - Board Meeting – Board conducts public hearing related to the proposed budget and charges

Member Partner Engagement

- ✓ November 6, 2025 - Charges 101 – Foundational Knowledge of the GLWA Charge-Making Process
- ✓ November 13, 2025 - Charges Rollout #1 and #2 – Capital Improvement Plan (CIP) and Units of Service (UOS) Update
- ✓ January 14, 2026 – Member Partner specific email with preliminary calculation worksheet and letter from Chief Executive Officer
- ✓ January 15, 2026 - Charges Rollout #3 – Proposed FY 2027 Revenue Requirement and Service Charges
- ✓ January 22, 2026 - Charges Rollout #4 - Feedback on Proposed Charges and FY 2027 Revenue Requirement
- ✓ January 26, 2026 – Member Partners were mailed proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase

- ✓ January 27, 2026 – Member Partner specific emailed proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase

A Notice of Public Hearing was published in the Detroit Legal News on February 10, 2026. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.glwater.org/financials.

BUDGET IMPACT

This action establishes a budget for FY 2027 and FY 2028.

COMMITTEE REVIEW

The GLWA Audit Committee reviewed the budget and supplemental analysis at the meetings noted above. On [*insert date*] the Audit Committee [*insert action*] that the Board of Directors adopts the resolution related to the FY 2027 and FY 2028 Budget subject to public comment at the public hearing to be held on February 25, 2026.

Great Lakes Water Authority Resolution 2026-013

Resolution Adopting the Biennial FY 2027 & FY 2028 Budget

By Board Member: ___________________

WHEREAS The Great Lakes Water Authority ("GLWA" or the "Authority") assumed the operation of the regional water and sewer systems on January 1, 2016 (the "Effective Date") pursuant to Water System and Sewer System Lease Agreements between the GLWA and the City of Detroit dated June 12, 2015; and

WHEREAS In accordance with the by-laws of the GLWA, the Board shall adopt a two-year (Biennial) operating budget for the Regional Water and Sewer Systems; and

WHEREAS The Authority, through the terms of the Leases, committed to an annual increase in revenue requirement budget of no more than 4% though the fiscal year ending June 30, 2025, this commitment no longer applies; and

WHEREAS The Regional Water System annual revenue requirement budget increase of 5.4% equates to a 6.6% increase in revenues from Water Service Charges and a Regional Sewer System annual revenue requirements budget increase of 5.0% equates to a 5.9% increase in revenues from Sewer Service Charges; and

WHEREAS To support the revenue requirement for each system, the comparable Regional Water System average charge adjustment is an increase of 6.83% reflecting a reduction in estimated investment earnings and sales volumes and the comparable Regional Sewer System average charge adjustment is an increase of 5.98% reflecting a reduction in estimated investment earnings and industrial specific activity; and

WHEREAS The budgeted expenses for each such Fiscal Year shall equal the sum of the projected expenses and revenue requirements for the Regional Water System and the Regional Sewer System for each such Fiscal Year; and

WHEREAS The budgeted annual revenue requirements for the Regional Water System for FY 2027 is $430,844,900 and for FY 2028 is $461,019,900 as shown on "Schedule 1 – Water System Revenue Requirements" of the budget document; and

WHEREAS The budgeted annual revenue requirements for the Regional Sewer System for FY 2027 is $572,229,700 and for FY 2028 is $600,864,900 as shown on "Schedule 2 – Sewer System Revenue Requirements" of the budget document;

and

WHEREAS The operations and maintenance budget for the Regional Water System for FY 2027 is $193,563,400 and for FY 2028 is $200,736,600 as shown on "Schedule 1 – Water System Revenue Requirements" of the budget document; and

WHEREAS The operations and maintenance budget for the Regional Sewer System for FY 2027 is $237,763,400 and for FY 2028 is $248,410,600 as shown on "Schedule 2 – Sewer System Revenue Requirements" of the budget document; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of $24,976,300 in FY 2027 and $21,012,200 in FY 2028 for capital outlay in accordance with the "Schedule 4A – Water Improvement and Extension Fund" budget; and

WHEREAS The amounts necessary to fund the annual water system capital expenditures of $265,000,000 in FY 2027 and $305,000,000 in FY 2028 for the capital improvement plan in accordance with the "Schedule 5A –Water Construction Fund" budget with those capital amounts reflecting an 87% Capital Spend Ratio Assumption applied to FY 2027 and a Capital Spend Rate Assumption of 81% to FY 2028 as shown in the proposed FY 2027 though FY 2031 Capital Improvement Plan; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of $15,431,100 in FY 2027 and $15,322,600 in FY 2028 for the capital outlay in accordance with the "Schedule 4B – Sewer Improvement and Extension Fund" budget; and

WHEREAS The amounts necessary to fund the annual sewer system capital expenditures of $255,000,000 in FY 2027 and $280,000,000 in FY 2028 for the capital improvement plan in accordance with "Schedule 5B –Sewer Construction Fund" budget with those capital amounts reflecting an 88% Capital Spending Ratio applied to FY 2027 and a Capital Spend Rate Assumption of 84% applied to FY 2028 as shown in the proposed FY 2027 though FY 2031 Capital Improvement Plan; and

WHEREAS The amounts necessary to pay the principal of and interest on all Water System bonds is $[to be determined]* for FY 2027 and $[to be determined]* for FY 2028 as shown on "Schedule 10 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance" of the budget document; and

WHEREAS The amounts necessary to pay the principal of and interest on all Sewer System bonds is $[to be determined]* for FY 2027 and $[to be determined]* for FY 2028 as shown on "Schedule 10 - Debt Service Coverage Calculations Consistent with the Master Bond Ordinance" of the budget document; and

WHEREAS The GLWA Audit Committee began review of the budget and five-year financial plan document developed for FY 2027 through FY 2031 at its meeting on January 9, 2026; with updates at its meeting on January 30, 2026 and February 13, 2026; and

WHEREAS The GLWA Board conducted a public hearing on the proposed budget in accordance with the provisions of Public Act No. 43 of the Acts of the State Legislature of 1963 ("Budget Hearings of Local Governments"); and

WHEREAS A notice for the public hearing on the proposed budget scheduled for February 25, 2026 at 1:00 p.m. either in person or via a telephonic Zoom meeting was published in The Detroit Legal News announcing a public hearing on the budget in addition to posting the notice and proposed budget on glwater.org/financials; and

WHEREAS An affirmative vote of 5 Board Members is necessary for the adoption of this Resolution,

NOW THEREFORE BE IT:

RESOLVED That the GLWA Board conducted a public hearing on February 25, 2026 to receive public comment regarding the proposed budget for the Fiscal Years 2027 and 2028; and be it further

RESOLVED That the GLWA Board approves the budget for Fiscal Years 2027 and 2028; and be it finally

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this resolution.

**Amounts are subject to change pending receipt of final DWSD budget information.*

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 1 – Water System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
	FY 2026		FY 2027			FY 2028		
Water System Revenue Requirement	**Adopted Budget**	**Projected**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**
Revenues								
Revenues from Charges								
Wholesale Customers	$ 365,646,100	$ 365,646,100	$ 387,988,500	$ 22,342,400	6.1%	$ 415,009,600	$ 27,021,100	7.0%
Charges to Local System	30,028,800	30,028,800	33,603,600	3,574,800	11.9%	37,288,300	3,684,700	11.0%
Total Revenue from Charges	395,674,900	395,674,900	421,592,100	25,917,200	6.6%	452,297,900	30,705,800	7.3%
Investment Earnings								
Unrestricted	4,654,800	4,404,900	3,171,000	(1,483,800)	-31.9%	3,067,400	(103,600)	-3.3%
I&E Fund Unrestricted	4,868,800	4,525,400	3,410,900	(1,457,900)	-29.9%	3,096,900	(314,000)	-9.2%
Restricted for Debt Service	3,260,100	2,834,800	2,175,500	(1,084,600)	-33.3%	2,257,700	82,200	3.8%
Total Investment Earnings	12,783,700	11,765,100	8,757,400	(4,026,300)	-31.5%	8,422,000	(335,400)	-3.8%
Other Operating Revenue	302,800	302,800	495,400	192,600	63.6%	300,000	(195,400)	-39.4%
Total Revenues	**$ 408,761,400**	**$ 407,742,800**	**$ 430,844,900**	**$ 22,083,500**	**5.4%**	**$ 461,019,900**	**$ 30,175,000**	**7.0%**
Revenue Requirements								
Operations & Maintenance Expense	$ 182,456,000	$ 183,909,400	$ 193,563,400	$ 11,107,400	6.1%	$ 200,736,600	$ 7,173,200	3.7%
Debt Service	179,082,200	177,686,400	192,202,900	13,120,700	7.3%	212,359,600	20,156,700	10.5%
General Retirement System Pension	2,730,800	2,730,800	2,559,000	(171,800)	-6.3%	2,415,300	(143,700)	-5.6%
Water Residential Assistance Program Contribution	1,970,000	1,970,000	2,099,900	129,900	6.6%	2,251,700	151,800	7.2%
Extraordinary Repair & Replacement Deposit	320,000	320,000	104,800	(215,200)	-67.3%	614,300	509,500	486.2%
Regional System Lease	22,500,000	22,500,000	22,500,000	-	0.0%	22,500,000	-	0.0%
Working Capital Requirement	600,000	-	1,100,000	500,000	83.3%	5,900,000	4,800,000	436.4%
Improvement & Extension Fund Transfer Pending	19,102,400	18,626,200	16,714,900	(2,387,500)	-12.5%	14,242,400	(2,472,500)	-14.8%
Total Water System Revenue Requirements	**$ 408,761,400**	**$ 407,742,800**	**$ 430,844,900**	**$ 22,083,500**	**5.4%**	**$ 461,019,900**	**$ 30,175,000**	**7.0%**

Charge Adjustment Calculation			
Proforma Revenue - What FY 2027 Revenue from Charges would be using FY 2027 projected volume and FY 2026 Fixed and Commodity Charges	*$ 394,633,100*		
Charge Adjustment			
Attributable to Change in Annual Revenue Requirement		*$ 22,083,500*	*5.60%*
Attributable to Non-Charge Revenue (Decrease in Investment Earnings & Other Operating Revenue)		*3,833,700*	*0.97%*
Attributable to decreased in projected Sales Volume in FY 2027		*1,041,800*	*0.26%*
Charge Adjustment (Average System Charge Increase)		*$ 26,959,000*	***6.83%***

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 2 – Sewer System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
	FY 2026		FY 2027			FY 2028		
Sewer System Revenue Requirement	**Adopted Budget**	**Projected**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**	**Dollar Variance**	**Percent Varianc**
Revenues								
Revenues from Charges								
Wholesale Customers	$ 300,316,800	$ 300,316,800	**$ 317,383,200**	**$ 17,066,400**	**5.7%**	$ 333,895,900	$ 16,512,700	5.2%
Charges to Local System	215,324,400	215,324,400	**229,070,400**	**13,746,000**	**6.4%**	240,513,000	11,442,600	5.0%
Industrial Waste Control Charges	9,150,300	9,150,300	**9,673,600**	**523,300**	**5.7%**	10,168,500	494,900	5.1%
Pollutant Surcharges	5,112,700	5,112,700	**5,198,600**	**85,900**	**1.7%**	5,464,500	265,900	5.1%
Total Revenue from Charges	529,904,200	529,904,200	**561,325,800**	**31,421,600**	**5.9%**	590,041,900	28,716,100	5.1%
Investment Earnings								
Unrestricted	5,087,300	5,513,700	**3,969,200**	**(1,118,100)**	**-22.0%**	3,839,400	(129,800)	-3.3%
I&E Fund Unrestricted	5,451,500	5,319,600	**3,985,100**	**(1,466,400)**	**-26.9%**	4,032,400	47,300	1.2%
Restricted for Debt Service	4,076,400	3,239,900	**2,512,100**	**(1,564,300)**	**-38.4%**	2,501,200	(10,900)	-0.4%
Total Investment Earnings	14,615,200	14,073,200	**10,466,400**	**(4,148,800)**	**-28.4%**	10,373,000	(93,400)	-0.9%
Other Operating Revenue	442,600	442,600	**437,500**	**(5,100)**	**-1.2%**	450,000	12,500	2.9%
Total Revenues	**$ 544,962,000**	**$ 544,420,000**	**$ 572,229,700**	**$ 27,267,700**	**5.0%**	**$ 600,864,900**	**$ 28,635,200**	**5.0%**
Revenue Requirements								
Operations & Maintenance Expense	$ 236,098,700	$ 237,552,000	**$ 237,763,400**	**$ 1,664,700**	**0.7%**	$ 248,410,600	$ 10,647,200	4.5%
Debt Service	220,884,500	216,273,800	**233,854,700**	**12,970,200**	**5.9%**	242,444,800	8,590,100	3.7%
General Retirement System Pension	5,632,800	5,632,800	**5,246,300**	**(386,500)**	**-6.9%**	4,923,200	(323,100)	-6.2%
Water Residential Assistance Program Contribution	2,638,500	2,638,500	**2,794,800**	**156,300**	**5.9%**	2,937,800	143,000	5.1%
Extraordinary Repair & Replacement Deposit	-	-	**-**	**-**	**0.0%**	-	-	0.0%
Regional System Lease	27,500,000	27,500,000	**27,500,000**	**-**	**0.0%**	27,500,000	-	0.0%
Working Capital Requirement	-	-	**1,500,000**	**1,500,000**	**100.0%**	4,700,000	3,200,000	213.3%
Improvement & Extension Fund Transfer Pending	52,207,500	54,822,900	**63,570,500**	**11,363,000**	**21.8%**	69,948,500	6,378,000	10.0%
Total Sewer System Revenue Requirements	**$ 544,962,000**	**$ 544,420,000**	**$ 572,229,700**	**$ 27,267,700**	**5.0%**	**$ 600,864,900**	**$ 28,635,200**	**5.0%**

Charge Adjustment Calculation			
Proforma Revenue - What FY 2027 Revenue from Charges would be using FY 2026 Fixed Monthly Charges and volume and loading projections for Industrial Waste Control and Pollutant Surcharges	*$ 529,653,000*		
Charge Adjustment			
Attributable to Change in Annual Revenue Requirement		*$ 27,267,700*	*5.15%*
Attributable to Non-Charge Revenue (Decrease in Investment Earnings & Other Operating Revenue)		*4,153,900*	*0.78%*
Attributable to decreased in projected Sales Volume in FY 2027 (amount reflects change due to projected Industrial Waste Control volume and Pollutant Surcharges volume and loadings		*251,200*	*0.05%*
Charge Adjustment (Average System Charge Increase)		*$ 31,672,800*	***5.98%***

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 3 – Combined Water and Sewer System Revenue Requirements Biennial Budget

	Current Year		Biennial Budget					
	FY 2026		FY 2027			FY 2028		
Water & Sewer System Combined Revenue Requirement	**Adopted Budget**	**Projected**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**	**Proposed Budget**	**Dollar Variance**	**Percent Variance**
Revenues								
Revenues from Charges								
Wholesale Customers	$ 665,962,900	$ 665,962,900	**$ 705,371,700**	**$ 39,408,800**	**5.9%**	$ 748,905,500	$ 43,533,800	6.2%
Charges to Local System	245,353,200	245,353,200	**262,674,000**	**17,320,800**	**7.1%**	277,801,300	15,127,300	5.8%
Industrial Waste Control Charges	9,150,300	9,150,300	**9,673,600**	**523,300**	**5.7%**	10,168,500	494,900	5.1%
Pollutant Surcharges	5,112,700	5,112,700	**5,198,600**	**85,900**	**1.7%**	5,464,500	265,900	5.1%
Total Revenue from Charges	925,579,100	925,579,100	**982,917,900**	**57,338,800**	**6.2%**	1,042,339,800	59,421,900	6.0%
Investment Earnings								
Unrestricted	9,742,100	9,918,600	**7,140,200**	**(2,601,900)**	**-26.7%**	6,906,800	(233,400)	-3.3%
I&E Fund Unrestricted	10,320,300	9,845,000	**7,396,000**	**(2,924,300)**	**-28.3%**	7,129,300	(266,700)	-3.6%
Restricted for Debt Service	7,336,500	6,074,700	**4,687,600**	**(2,648,900)**	**-36.1%**	4,758,900	71,300	1.5%
Total Investment Earnings	27,398,900	25,838,300	**19,223,800**	**(8,175,100)**	**-29.8%**	18,795,000	(428,800)	-2.2%
Other Operating Revenue	745,400	745,400	**932,900**	**187,500**	**25.2%**	750,000	(182,900)	-19.6%
Total Revenues	**$ 953,723,400**	**$ 952,162,800**	**$1,003,074,600**	**$ 49,351,200**	**5.2%**	**$1,061,884,800**	**$ 58,810,200**	**5.9%**
Revenue Requirements								
Operations & Maintenance Expense	$418,554,700	$421,461,400	**$ 431,326,800**	**$12,772,100**	**3.1%**	$449,147,200	$17,820,400	4.1%
Debt Service	399,966,700	393,960,200	**426,057,600**	**26,090,900**	**6.5%**	454,804,400	28,746,800	6.7%
General Retirement System Pension	8,363,600	8,363,600	**7,805,300**	**(558,300)**	**-6.7%**	7,338,500	(466,800)	-6.0%
Water Residential Assistance Program Contribution	4,608,500	4,608,500	**4,894,700**	**286,200**	**6.2%**	5,189,500	294,800	6.0%
Extraordinary Repair & Replacement Deposit	320,000	320,000	**104,800**	**(215,200)**	**-67.3%**	614,300	509,500	486.2%
Regional System Lease	50,000,000	50,000,000	**50,000,000**	**-**	**0.0%**	50,000,000	-	0.0%
Working Capital Requirement	600,000	-	**2,600,000**	**2,000,000**	**333.3%**	10,600,000	8,000,000	307.7%
Improvement & Extension Fund Transfer Pending	71,309,900	73,449,100	**80,285,400**	**8,975,500**	**12.6%**	84,190,900	3,905,500	4.9%
Total Water & Sewer System Combined Revenue Requirements	**$ 953,723,400**	**$ 952,162,800**	**$1,003,074,600**	**$ 49,351,200**	**5.2%**	**$1,061,884,800**	**$ 58,810,200**	**5.9%**

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Water Capital Financing Plan

Schedule 4A - Water Improvement & Extension Fund

	Current Year		Biennial Budget	
	Adopted Budget	Projected	Proposed Budget	
Water Improvement & Extension Fund	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**
Inflows				
Transfers in from Water Operations Fund				
Revenue Transfers	$ 19,102,400	$ 18,626,200	$ 16,714,900	$ 14,242,400
Investment Earnings	4,868,800	4,525,400	3,410,900	3,096,900
Total Inflows	**23,971,200**	**23,151,600**	**20,125,800**	**17,339,300**
Outflows				
Capital outlay	11,691,400	11,691,400	24,976,300	21,012,200
Transfers out to Water Operations Fund				
Investment Earnings	4,868,800	4,525,400	3,410,900	3,096,900
Transfer out to Water Construction Fund				
Revenue Financed Capital	9,250,000	-	-	-
Total Outflows	**25,810,200**	**16,216,800**	**28,387,200**	**24,109,100**
Net Inflow (Outflow) - Use of I&E Funds	**$ (1,839,000)**	**6,934,800**	**(8,261,400)**	**(6,769,800)**
Beginning Net Position		147,797,600	154,732,400	146,471,000
Projected Ending Net Position		$ 154,732,400	$ 146,471,000	$ 139,701,200

Schedule 5A - Water Construction Fund

		Current Year		Biennial Budget	
Water Construction Fund	**Actual FY 2025**	**Adopted Budget FY 2026**	**Projected FY 2026**	**Proposed Budget FY 2027**	**FY 2028**
Inflows					
Transfers in from Water I&E Fund					
Revenue Financed Capital	$ 171,562	$ 9,250,000	$ -	$ -	$ -
Transfers in from Water Operations Fund					
Bond Proceeds	231,833,814	222,000,000	202,000,000	304,000,000	228,000,000
State Revolving Loans	56,270,485	1,369,200	6,742,400	-	-
Grants and Capital Contributions	3,348,636	2,300,000	2,197,100	1,154,900	-
Investment Earnings	5,248,342	5,565,100	4,099,500	4,237,700	4,388,400
Total Inflows	**296,872,839**	**240,484,300**	**215,039,000**	**309,392,600**	**232,388,400**
Outflows					
Capital Program	156,209,178	185,000,000	185,000,000	265,000,000	305,000,000
Transfers out to Water Operations Fund					
Bond Cost of Issuance	1,812,585	1,665,000	1,515,000	2,280,000	1,710,000
Total Outflows	**158,021,763**	**186,665,000**	**186,515,000**	**267,280,000**	**306,710,000**
Net Inflow (Outflow) - Use of Construction Funds	**$ 138,851,076**	**$ 53,819,300**	**28,524,000**	**42,112,600**	**(74,321,600)**
Beginning Net Position			270,178,200	298,702,200	340,814,800
Projected Ending Net Position			$ 298,702,200	$ 340,814,800	$ 266,493,200
Capital Improvement Plan		$ 183,064,000	$ 183,743,000	$ 302,768,000	$ 372,646,000
Capital Spending Ratio		100%	100%	87%	81%
Capital Financing Plan		$ 185,000,000	$ 185,000,000	$ 265,000,000	$ 305,000,000

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Sewer Capital Financing Plan

Schedule 4B - Sewer Improvement & Extension Fund

	Current Year		Biennial Budget	
	Adopted Budget	Projected	Proposed Budget	
Sewer Improvement & Extension Fund	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**
Inflows				
Transfers in from Sewer Operations Fund				
Revenue Transfers	$ 52,207,500	$ 54,822,900	$ 63,570,500	$ 69,948,500
Transfer in from Sewer Construction Fund				
Working capital adjustment (1)	-	-	-	-
Investment Earnings	5,451,500	5,319,600	3,985,100	4,032,400
Total Inflows	**57,659,000**	**60,142,500**	**67,555,600**	**73,980,900**
Outflows				
Capital outlay	11,779,500	11,779,500	15,431,100	15,322,600
Transfers out to Sewer Operations Fund				
Investment Earnings	5,451,500	5,319,600	3,985,100	4,032,400
Transfer out to Sewer Construction Fund				
Revenue Financed Capital	26,250,000	36,000,000	38,250,000	56,000,000
Total Outflows	**43,481,000**	**53,099,100**	**57,666,200**	**75,355,000**
Net Inflow (Outflow) - Use of I&E Funds	**$ 14,178,000**	**7,043,400**	9,889,400	**(1,374,100)**
Beginning Net Position		173,729,100	180,772,500	190,661,900
Projected Ending Net Position		$ 180,772,500	$ 190,661,900	$ 189,287,800

Schedule 5B - Sewer Construction Fund

	Current Year		Biennial Budget	
	Adopted Budget	Projected	Proposed Budget	
Sewer Construction Fund	**FY 2026**	**FY 2026**	**FY 2027**	**FY 2028**
Inflows				
Transfers in from Sewer I&E Fund				
Revenue Financed Capital	$ 26,250,000	$ 36,000,000	$ 38,250,000	$ 56,000,000
Transfers in from Sewer Operations Fund				
Bond Proceeds	101,000,000	26,000,000	76,000,000	65,000,000
State Revolving Loans	52,936,600	102,632,900	159,595,800	140,710,700
Grants and Capital Contributions	23,191,650	33,623,000	10,157,500	6,624,500
Investment Earnings	3,936,400	1,767,600	2,019,200	2,248,800
Total Inflows	**207,314,650**	**200,023,500**	**286,022,500**	**270,584,000**
Outflows				
Capital Program	175,000,000	240,000,000	255,000,000	280,000,000
Transfers out to Sewer Operations Fund				
Bond Cost of Issuance	757,500	195,000	570,000	487,500
Transfers out to Sewer I&E Fund				
Working Capital Adjustment (1)	-	-	-	-
Total Outflows	**175,757,500**	**240,195,000**	**255,570,000**	**280,487,500**
Net Inflow (Outflow) - Use of Construction Funds	**$ 31,557,150**	**(40,171,500)**	**30,452,500**	**(9,903,500)**
Beginning Net Position		149,360,300	109,188,800	139,641,300
Projected Ending Net Position		$ 109,188,800	$ 139,641,300	$ 129,737,800
Capital Improvement Plan	$193,221,000	$ 262,279,000	$ 287,641,000	$ 330,945,000
Capital Spending Ratio	90%	90%	88%	84%
Capital Financing Plan	$ 175,000,000	$ 240,000,000	$ 255,000,000	$ 280,000,000

There are no schedules 6 – 9 for purposes of the Budget Resolution.

Note: Amounts highlighted in yellow in the following tables are presented in the Biennial Budget Authorizing Resolution.

Schedule 10 – Debt Service Coverage Calculations Consistent with the Master Bond Ordinance

To be Determined - The local system information is not available to complete this schedule at this time

***Rows highlighted in light grey in the above table are designed to align with the Local System information provided from Detroit Water & Sewerage Department (DWSD) as of [to be determined]*

Financial Services
Audit Committee Communication

Date: February 13, 2026

To: Great Lakes Water Authority Audit Committee

From: Matthew S. Lane, MPA; Manager - Charges Outreach and Modeling

Re: Recommendation to the Board of Directors to Approve Resolution 2026-014 to Adopt the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be Held on February 25, 2026

Background & Analysis: See attached draft Great Lakes Water Authority ("GLWA") Board letter related to proposed resolution 2026-014 to Approve the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be held on February 25, 2026.

Proposed Action: Audit Committee recommends that the Board of Directors adopt Resolution 2026-014 to Approve the FY 2027 Schedule of Service Charges Subject to Public Comment at the Public Hearing to be held on February 25, 2026.

..Title

Resolution Regarding Approval of FY 2027 Schedule of Service Charges

..Body

Agenda of: February 25, 2026
Item No.: **2026-014**
Amount: N/A

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: February 25, 2026

RE: **Resolution Regarding Approval of FY 2027 Schedule of Service Charges**

MOTION

Upon recommendation of Nicolette Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority, **approves the following actions, which require a supermajority affirmative vote of at least five (5) members of the Board, and the attached Resolution 2026-014** with an effective date of July 1, 2026:

1) FY 2027 fixed monthly charges and commodity charges included in the water supply system schedule of service charges as well as the lead and copper rule sample testing fee;

2) FY 2027 fixed monthly charges included in the sewage disposal system schedule of charges as well as the FY 2027 schedule of industrial waste control charges, pollutant surcharges and septage disposal fee included in the sewage disposal system industrial specific charges;

3) FY 2027 City of Detroit allocated wholesale water revenue requirement of $33,603,600 which is the net of $54,303,600 gross revenue requirement less the

Ownership Equity Credit of $20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);

4) FY 2027 City of Detroit allocated wholesale sewer revenue requirement of $229,070,400 which is the net of $234,586,400 gross revenue requirement less the Ownership Equity Credit of $5,516,000 in accordance with the WSSA;

5) FY 2027 City of Detroit allocated indirect water revenue requirement of $(*to be determined*), in accordance with the Regional Water Supply System Lease;

6) FY 2027 City of Detroit allocated indirect sewer revenue requirement of $[to be determined], in accordance with the Regional Sewage Disposal System Lease; and

7) authorizes the Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Pursuant to the water system and sewer system leases signed between the Great Lakes Water Authority (GLWA/Authority) and the City of Detroit, the GLWA began operations of the regional water supply and sewage disposal system on January 1, 2016. Consistent with the terms of those leases, the Authority shall, for each fiscal year fix and approve rates and charges to its customers in an amount that is expected to produce revenues sufficient to satisfy the Authority revenue requirement. The attached, proposed schedule of charges meets that requirement.

Leading up to this charge recommendation, staff presented the proposed FY 2027 and 2028 Biennial Budget and five-year financial plan for FY 2027 through 2031 and an analysis of proposed water and sewer system charges at its January 28, 2026 Board meeting. A Public Hearing was opened for the FY 2027 Water Service Charges and Sewer Service Charges on February 25, 2026.

JUSTIFICATION

The water and sewer system charges support the proposed FY 2027 water system revenue requirements budget and the proposed FY 2027 sewer system revenue requirements, respectively. The FY 2027 water and sewer revenue requirements reflect GLWA's commitment to providing our Member Partners with wholesale water and wastewater services of unquestionable quality at a fair and equitable cost.

Establishing the budget and charges each year is an impactful decision which merits public discussion that spans several months encompasses stakeholder groups. An outline of discussions related to the FY 2027 & FY 2028 Biennial Budget and FY 2027 Charges is outlined below.

Board of Directors Public Engagement

- ✓ October 8, 2025 – Board Workshop – In-Depth Budget & Charges Briefing
- ✓ January 9, 2026 - Audit Committee receives proposed budget and charges presentation
- ✓ January 28, 2026 - Board Meeting – Board receives a proposed budget and charges presentation and refers the matters back to Audit Committee for further review
- ✓ January 30, 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February 13, 2026 - Audit Committee continued review of budget and proposed charges
- ✓ February 25, 2026 - Board Meeting – Board conducts public hearing related to the proposed budget and charges

Member Partner Engagement

- ✓ November 6, 2025 - Charges 101 – Foundational Knowledge of the GLWA Charge-Making Process
- ✓ November 13, 2025 - Charges Rollout #1 and #2 – Capital Improvement Plan and Units of Service (UOS)
- ✓ January 14, 2026 – Member Partner specific email with preliminary calculation worksheet and letter from Chief Executive Officer
- ✓ January 15, 2026 - Charges Rollout #3 – Proposed FY 2027 Revenue Requirement and Service Charges
- ✓ January 22, 2026 - Charges Rollout #4 - Feedback on Proposed Charges and FY 2027 Revenue Requirement
- ✓ January 26, 2026 – Member Partners were mailed proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase
- ✓ January 27, 2026 – Member Partner specific email with proposed calculation worksheet, letter from Chief Executive Officer, and one pager related to FY 2027 Proposed Charge Increase

A Notice of Public Hearing was published in the Detroit Legal News on February 10, 2026. That notice, along with related supporting materials throughout the budget and charges development process, is available online at www.glwater.org/financials.

Proposed FY 2027 Water Charges

The proposed FY 2027 water service charges reflect a proposed FY 2027 Water budget increase of 5.4 percent along with decreased investment earnings and reduction in estimated sales volumes. **Therefore, the average water system charges increase will be 6.83 percent.**

Proposed FY 2027 Sewer Charges

The proposed FY 2027 sewer service charges reflect a proposed FY 2027 Sewer budget increase of 5.0 percent along with decreased investment earnings and reduction in estimated industrial charges. **Therefore, the average sewer system charges increase will be 5.98 percent.**

BUDGET IMPACT

The recommended FY 2027 Schedule of Water Service Charges and Sewer Service Charges as presented produces the necessary revenues to fund the FY 2027 Water System and Sewer System Budget.

Coordination with DWSD's Budget – Under the terms of the lease agreements and related financial commitments, key inputs are required from DWSD. An analysis of the DWSD budget inputs and related reconciliation based upon some of the changes above is reflected in the attached schedules.

COMMITTEE REVIEW

The Audit Committee has reviewed the FY 2027 financial plan, including charge setting matters, at its meetings noted above. On [*insert date*] the Audit Committee [*insert action*] that the Board of Directors adopts the resolution related to the FY 2027 and FY 2028 Budget and related FY 2027 Schedule of Charges as presented on [*insert date*] subject to public comment at the public hearing to be held on February 25, 2026.

SHARED SERVICES IMPACT

This item does not impact the Shared Services Agreement between the GLWA and the City of Detroit.

<u>Great Lakes Water Authority</u>

<u>Resolution 2026-014</u>

<u>RE: Approval of FY 2027 Schedule of Water and Sewer Service Charges</u>

By Board Member: ___________________________

Whereas The Great Lakes Water Authority ("GLWA") management and its consultant, Willdan Financial Services, have developed the attached Schedule of Water Service Charges and Sewer Service Charges for FY 2027, including the direct and indirect City of Detroit Revenue Requirements for the water and sewer systems, to support the FY 2027 water system and sewer system revenue requirements budget with an effective date of July 1, 2026; and

Whereas The FY 2027 water and sewer revenue requirements reflect GLWA's commitment to providing our Member Partners with wholesale water and wastewater services of unquestionable quality at a fair and equitable cost; and

Whereas A Public Hearing was held for the Water Service Charges and Sewer Service Charges proposed by the GLWA for FY 2027 on February 25, 2026 at 1:00 p.m.; and

NOW THEREFORE BE IT:

RESOLVED The Great Lakes Water Authority Board approves the proposed:

1) FY 2027 fixed monthly charges and commodity charges included in the water supply system schedule of service charges as well as the lead and copper rule sample testing fee;
2) FY 2027 fixed monthly charges included in the sewage disposal system schedule of charges as well as the FY 2027 schedule of industrial waste control charges, pollutant surcharges and septage disposal fee included in the sewage disposal system industrial specific charges;
3) FY 2027 City of Detroit allocated wholesale water revenue requirement of $33,603,600 which is the net of $54,303,600 gross revenue requirement less the Ownership Equity Credit of $20,700,000 pursuant to the terms of the Water and Sewer Services Agreement (WSSA);
4) FY 2027 City of Detroit allocated wholesale sewer revenue requirement of $229,070,400 which is the net of $234,586,400 gross revenue requirement less the Ownership Equity Credit of $5,516,000 in accordance with the WSSA;
5) FY 2027 City of Detroit allocated indirect water revenue requirement of $*[to be determined],* in accordance with the Regional Water Supply System Lease;

6) FY 2027 City of Detroit allocated indirect sewer revenue requirement of $*[to be determined]*, in accordance with the Regional Sewage Disposal System Lease; and

RESOLVED That the Chief Executive Officer, and the Chief Financial Officer/Treasurer are authorized to take such other action as may be necessary to accomplish the intent of this vote.

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No,	Member Partner	Contract	Fixed Monthy Charge (a)		Commodity Charge (a)		Projected Revenue From Charges	
			$/mo		$/mcf		$	
1	Allen Park	Model	$	149,500	$	10.61	$	2,989,700
2	Almont Village	Model	$	15,200	$	13.73	$	304,600
3	Ash Township	Model	$	53,100	$	11.56	$	1,061,500
4	Belleville	Model	$	20,700	$	11.72	$	413,700
5	Berlin Township	Model	$	45,300	$	13.49	$	906,500
6	Brownstown Township	Model	$	241,600	$	14.09	$	4,832,300
7	Bruce Township	Model	$	19,400	$	57.19	$	387,200
8	Burtchville Township	Model	$	27,200	$	20.22	$	544,800
9	Canton Township	Model	$	674,400	$	14.21	$	13,486,900
10	Center Line	Model	$	31,000	$	7.98	$	620,200
11	Chesterfield Township	Model	$	281,800	$	12.78	$	5,636,000
12	Clinton Township	Model	$	489,600	$	10.34	$	9,794,100
13	Commerce Township	Model	$	224,400	$	17.06	$	4,487,500
14	Dearborn	No Contract	$	582,100	$	9.01	$	11,638,900
15	Dearborn Heights	Model	$	243,000	$	10.10	$	4,860,300
16	Eastpointe	Model	$	103,400	$	8.36	$	2,067,600
17	Ecorse	Model	$	72,900	$	7.33	$	1,457,500
18	Farmington	Model	$	63,400	$	11.90	$	1,268,900
19	Farmington Hills	Model	$	568,600	$	13.65	$	11,371,400
20	Ferndale	Model	$	68,600	$	8.69	$	1,371,500
21	Flat Rock	Model	$	91,500	$	14.52	$	1,829,800
22	Flint	Model	$	639,700	$	12.67	$	12,796,300
	less: Adjustment for KWA Debt Service (b)						$	*(5,959,200)*
	Net projected revenue - Flint						$	*6,837,100*
23	Fraser	Model	$	81,500	$	11.69	$	1,629,100
24	Garden City	Model	$	110,200	$	12.26	$	2,203,900
25	Gibraltar	Model	$	22,900	$	10.42	$	457,200
26	Greenwood Township (DTE)	Model	$	86,700	$	16.27	$	1,733,500
27	Grosse Ile Township	Model	$	78,000	$	14.13	$	1,560,500
28	Grosse Pt. Park	Model	$	84,600	$	13.85	$	1,692,500
29	Grosse Pt. Shores	Model	$	37,900	$	18.07	$	758,400
30	Grosse Pt. Woods	Model	$	82,500	$	10.33	$	1,650,100
31	Hamtramck	Model	$	54,400	$	6.90	$	1,088,900

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No,	Member Partner	Contract	Fixed Monthy Charge (a)		Commodity Charge (a)		Projected Revenue From Charges	
			$/mo		$/mcf		$	
32	Harper Woods	Model	$	57,800	$	8.67	$	1,155,700
33	Harrison Township	Model	$	106,200	$	9.45	$	2,124,900
34	Hazel Park	Model	$	49,600	$	8.26	$	992,500
35	Highland Park	Model	$	46,400	$	6.57	$	928,700
36	Huron Township	Model	$	99,700	$	12.12	$	1,993,900
37	Imlay City	Model	$	98,500	$	16.65	$	1,969,500
38	Imlay Township (Single User)	No Contract	$	700	$	480.00	$	13,200
39	Inkster	Model	$	84,800	$	7.03	$	1,694,800
40	Keego Harbor	Model	$	19,600	$	16.10	$	391,400
41	Lapeer	Model	$	101,200	$	15.23	$	2,024,600
42	Lenox Township	Model	$	21,700	$	10.08	$	434,800
43	Lincoln Park	Model	$	150,100	$	7.01	$	3,002,700
44	Livonia	Model	$	755,000	$	13.52	$	15,100,700
45	Macomb Township	Model	$	822,000	$	18.97	$	16,439,000
46	Madison Heights	Model	$	135,900	$	8.94	$	2,717,000
47	Mayfield Township (KAMAX)	Model	$	3,300	$	50.80	$	65,000
48	Melvindale	Model	$	43,600	$	7.43	$	872,400
49	New Haven, Village of	Model	$	28,800	$	11.60	$	575,300
50	NOCWA	Model	$	1,444,400	$	13.35	$	28,885,900
51	Northville	Model	$	49,800	$	14.11	$	995,500
52	Northville Township	Model	$	301,300	$	18.09	$	6,025,200
53	Novi	Model	$	588,100	$	16.55	$	11,762,400
54	Oak Park	Model	$	92,800	$	8.09	$	1,855,500
55	Oakland GWK Drain District	Model	$	6,000	$	5.12	$	120,100
56	Plymouth	Model	$	71,600	$	13.24	$	1,432,500
57	Plymouth Township	Model	$	289,700	$	15.33	$	5,792,800
58	Redford Township	Model	$	193,000	$	10.21	$	3,859,800
59	River Rouge	Model	$	34,100	$	7.03	$	682,700
60	Riverview	Model	$	56,200	$	10.35	$	1,123,600
61	Rockwood	Model	$	16,200	$	13.87	$	323,400
62	Romeo	Model	$	12,500	$	27.00	$	249,900
63	Romulus	Model	$	238,200	$	9.83	$	4,762,500
64	Roseville	Model	$	170,000	$	7.84	$	3,398,700

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No,	Member Partner	Contract	Fixed Monthy Charge (a)		Commodity Charge (a)		Projected Revenue From Charges	
			$/mo		$/mcf		$	
65	Royal Oak Township	Model	$	13,700	$	10.83	$	273,800
66	Shelby Township	Model	$	730,900	$	14.25	$	14,617,600
67	SOCWA	Model	$	1,524,400	$	10.31	$	30,489,500
68	South Rockwood	Model	$	7,700	$	13.15	$	154,200
69	Southgate	Model	$	136,900	$	9.43	$	2,737,600
70	St. Clair Shores	Model	$	203,700	$	8.41	$	4,073,400
71	Sterling Heights	Model	$	953,700	$	13.65	$	19,074,800
72	Sumpter Township	Model	$	47,200	$	11.17	$	945,100
73	Sylvan Lake	Model	$	15,100	$	18.88	$	302,000
74	Taylor	Model	$	301,300	$	9.13	$	6,026,800
75	Trenton	Model	$	115,000	$	11.43	$	2,300,100
76	Troy	Model	$	888,200	$	16.73	$	17,763,600
77	Utica	Model	$	38,600	$	13.08	$	771,900
78	Van Buren Township	Model	$	219,300	$	14.35	$	4,386,600
79	Walled Lake	Model	$	52,200	$	14.35	$	1,044,000
80	Warren	Model	$	623,700	$	8.23	$	12,476,700
81	Washington Township	Model	$	154,600	$	14.21	$	3,091,500
82	Wayne	Model	$	116,000	$	9.52	$	2,320,200
83	West Bloomfield Township	Model	$	691,100	$	20.41	$	13,822,300
84	Westland	Model	$	392,500	$	10.36	$	7,849,100
85	Wixom	Model	$	163,500	$	16.80	$	3,270,700
86	Woodhaven	Model	$	94,200	$	14.32	$	1,883,600
87	Ypsilanti Comm Util Auth	Model	$	680,200	$	11.27	$	13,604,700
88	**Total Wholesale Contract Member Partners (c)**						**$**	**387,988,500**
	Detroit Customer Class - $							
89	Wholesale Revenue Requirement (d)						$	54,303,600
90	less: Ownership Benefit per Lease						$	(20,700,000)
91	**Net Local System Wholesale Revenue Requirement** (c)		$	2,800,300			**$**	**33,603,600**
92	**Revenue from Wholesale Water Charges** (88) + (91) (c)						**$**	**421,592,100**
	Detroit Customer Class -Other							
93	Indirect Retail Revenue Requirements (e)							TBD

GREAT LAKES WATER AUTHORITY
WATER SUPPLY SYSTEM
Service Charges and Allocated Revenue Requirements
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No,	Member Partner	Contract	Fixed Monthy Charge (a)	Commodity Charge (a)	Projected Revenue From Charges
			$/mo	*$/mcf*	*$*
94	less: Use of Lease Payment for Debt Service				TBD
95	**Net Indirect Retail Revenue Requirements (e)**				**TBD**
96	Subtotal Subject to GLWA Board Approval (91) + (95)				TBD
97	Direct Retail Revenue Requirements (f)				TBD
98	Total Local Retail Revenue Requirement (95) + (97)				TBD
99	**Total Requirement Detroit Customer Class** (91) + (98) (agrees with GLWA Budget Schedule 3)				**TBD**
	Other Water System Charges				
100	**Lead and Copper Rule Sample Testing Fee - $/Sample**				$ 64.00

(a) Proposed effective date of July 1, 2026. Effective on all bills issued on or after August 1, 2026.
(b) Flint receives a monthly credit related to KWA debt service in accordance with service agreements.
(c) Agrees with GLWA Budget
(d) Wholesale revenue requirements for the Detroit Customer Class.
(e) Local System revenue requirements related to Master Bond Ordinance and related agreements
(f) Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.

(e) & (f) Local System information provided from Detroit Water and Sewerage Department as of (to be determined).

GREAT LAKES WATER AUTHORITY
FY 2027 Wholesale Sewer Service Charge Calculation Worksheet
Service Charges and Allocated Revenues Requirements
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Member Partner	Contract	Fixed Monthly Charge (a)	Projected Revenue From Charges
			$/mo	$
1	OMID	Model	$ 6,910,600	$ 82,927,200
2	Rouge Valley	Older	$ 5,337,100	$ 64,045,200
3	Oakland GWK	Older	$ 4,457,100	$ 53,485,200
4	Evergreen Farmington	Model	$ 3,497,900	$ 41,974,800
5	SE Macomb San Dist	Model	$ 2,408,000	$ 28,896,000
6	Dearborn	Model	$ 1,983,300	$ 23,799,600
7	Grosse Pointe Farms	Older	$ 257,300	$ 3,087,600
8	Grosse Pointe Park	Model	$ 183,700	$ 2,204,400
9	Melvindale	Model	$ 151,800	$ 1,821,600
10	Farmington	Model	$ 115,700	$ 1,388,400
11	Center Line	Model	$ 101,300	$ 1,215,600
12	Allen Park	Model	$ 81,400	$ 976,800
13	Grosse Pointe	Model	$ 111,100	$ 1,333,200
14	Highland Park	Model	$ 384,600	$ 4,615,200
15	Hamtramck	Model	$ 414,700	$ 4,976,400
16	Harper Woods	Model	$ 15,700	$ 188,400
17	Redford Township	Model	$ 32,600	$ 391,200
18	Wayne County #3	Older	$ 4,700	$ 56,400
19	**Total Wholesale Contract Member Partners** (c)			**$ 317,383,200**
	Other Sewer System Charges			
20	**Industrial Waste Control** (c)			**$ 9,673,600**
21	**Pollutant Surcharges** (c)			**$ 5,198,600**
22	Subtotal Regional Wholesale Revenues			$ 332,255,400
	Detroit Customer Class - $			
23	Wholesale Revenue Requirement (d)			$ 234,586,400
24	less: Ownership Benefit per Lease			$ (5,516,000)
25	**Net Local System Wholesale Revenue Requirement** (c)		$ 19,089,200	**$ 229,070,400**
26	**Total Revenue from Wholesale Charges** (22) + (25**)** (c)			**$ 561,325,800**

GREAT LAKES WATER AUTHORITY
FY 2027 Wholesale Sewer Service Charge Calculation Worksheet
Service Charges and Allocated Revenues Requirements
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

	Detroit Customer Class -Other	
27	Indirect Retail Revenue Requirements (e)	TBD
28	less: Use of Lease Payment for Debt Service	TBD
29	**Net Indirect Retail Revenue Requirements (e)**	**TBD**
30	Subtotal Subject to GLWA Board Approval (25) + (29)	TBD
31	Direct Retail Revenue Requirements (f)	TBD
32	Total Local System Revenue Requirement (29) + (31)	TBD
33	**Total Requirement from Detroit Customer Class** (25) + (32) (agrees with GLWA Budget Schedule 3)	**TBD**

(a)	Proposed effective date of July 1, 2026. Effective on all bills issued on or after August 1, 2026.
(b)	Reserved
(c)	Agrees with GLWA Budget
(d)	Wholesale revenue requirements for the Detroit Customer Class.
(e)	Local System revenue requirements related to Master Bond Ordinance and related agreements
(f)	Local System operating expenses (net of shared services reimbursement) and I&E deposit. Not Subject to GLWA Board approval.

(e) & (f) Local System information provided from Detroit Water and Sewerage Department as of (to be determined).

GREAT LAKES WATER AUTHORITY
Sewage Disposal System
Proposed Industrial Waste Control Charges as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Meter Size (Inches)	Charge per Month	
		Full Charge	Administrative Only
1	5/8	$ 4.13	$ 1.03
2	3/4	$ 6.20	$ 1.55
3	1	$ 10.33	$ 2.58
4	1-1/2	$ 22.72	$ 5.67
5	2	$ 33.04	$ 8.24
6	3	$ 59.89	$ 14.94
7	4	$ 82.60	$ 20.60
8	6	$ 123.90	$ 30.90
9	8	$ 206.50	$ 51.50
10	10	$ 289.10	$ 72.10
11	12	$ 330.40	$ 82.40
12	14	$ 413.00	$ 103.00
13	16	$ 495.60	$ 123.60
14	18	$ 578.20	$ 144.20
15	20	$ 660.80	$ 164.80
16	24	$ 743.40	$ 185.40
17	30	$ 826.00	$ 206.00
18	36	$ 908.60	$ 226.60
19	48	$ 991.20	$ 247.20

GREAT LAKES WATER AUTHORITY
Sewage Disposal System - Industrial Specific Retail Charges
Proposed as of January 23, 2026 - Effective July 1, 2026 for bills issued on or after August 1, 2026

Line No.	Pollutant Surcharges	Charge ($/lb)
1	Biochemical Oxygen Demand (BOD) - for concentrations > 275 mg/l	$ 0.434
2	Total Suspended Solids (TSS) - for concentrations > 350 mg/l	$ 0.581
3	Phosphorus (PHOS) - for concentrations > 12 mg/l	$ 8.385
4	Fats, Oils, and Grease (FOG) - for concentrations > 100 mg/l	$ 0.139

	Septic Disposal Fee	Charge
1	Fee per 500 gallons of disposal	$ 42.00